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ABSTRACT

This unit, one of a series of six Project SCAT (Skills for Consumer Applied Today) units, is designed to help senior high school students develop consumer education skills. For a description of the specific objectives and format of the units, see SO 013 467. This document provides learning activities, teaching methods, and a student booklet for a unit on banking. The section on checking accounts covers advantages, disadvantages, and types of checking accounts, types of checks, procedures for opening a checking account, check writing, check endorsement, check cashing requirements, procedures for stopping payment, and procedures for balancing a checking account. The section on savings focuses on reasons for savings, personal savings considerations, savings institution considerations, alternative savings institutions, types of savings accounts, and savings account maintenance. Students make a field trip to a local bank, examine career opportunities in banking, survey bank advertisements, and make a checklist for selecting a bank. Students also interpret quotations about savings (such as "A penny saved is a penny earned"), compare interest rates of different savings institutions, investigate ways that interest is computed, set up a mock bank in the classroom, and devise games and puzzles to review the banking vocabulary. A pre- and posttest and reproducible graphics are included. The student booklet contains relevant vocabulary, readings, and worksheets. (KC)

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MONEY MANAGEMENT AND THE CONSUMER

BANKING: "You Can Bank

Skills for Consumers Applied Today

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Teacher PAL Tips

Welcome, teachers, to this $CAT Consumer Education Teacher PAL*. We hope you will find this a useful resource while you are teaching this subject. Features of this PAL include:

A CONTENT OUTLINE of the Student PAL subject matter to aid you in class discussions.

STUDENT OBJECTIVES which state in behavioral terms the objectives of the Student PAL.

SUGGESTED ACTIVITIES which you may wish to use as enrichment activities. These include:

INTRODUCTORY ACTIVITIES which give suggestions for introducing the topic.

DEVELOPMENTAL ACTIVITIES which give ideas for developing the major concepts in the Student PAL. These suggestions are keyed to each section of the Student PAL and include appropriate resources.

REVIEW ACTIVITIES which give suggestions to guide the culmination of the study.

RESOURCE suggestions which are of three types and coded as follows:

* Materials developed by $CAT and included in this Teacher PAL.

+ Commercially developed materials, available at a cost.

= Commercially developed materials, available free or on a free-loan basis.

ADDRESSES of the producers of all suggested resources as well as others which you may wish to contact for additional ideas and/or materials.

* Packaged Activities for Learning

A SPECIALIZED VOCABULARY which is an alphabetized listing of all the "Passwords" listed in the Student PAL.

FILM DESCRIPTIONS for each film suggested as a resource.

INSTRUCTIONAL AIDS which include Xerox masters for the Test, the Test Answer Sheet, Student Activity Sheets, Film Guides, and Transparencies which you may wish to use in your study.

ANSWER KEYS for the Test, $CAT-developed Activity Sheets, and all pages from the Student PAL requiring student responses.

A STUDENT PAL for your reference.

In addition, some pages in the Student PALs are designed specifically to encourage class discussions, and teacher-led discussions may be necessary to insure student comprehension of the concepts presented. Such pages in the Student PAL for this topic include:

Pages 4-5:	Personal opinions about money
Page 14:	Determining the value of a personal checking account as a means of money management
Page 62:	Personal opinions about saving

These features are suggestions only. You, the instructor, know your class best and should feel free to choose those activities and resources most appropriate for your students.

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ANSWER KEYS . . . . . YELLOW

- TEST
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- STUDENT PAL

STUDENT PAL . . . . . GREEN

Banking

Checking Accounts

Banks are an integral part of our way of life. An understanding of the mechanics of handling money is basic to wise personal financial management. Approximately 100 million checking accounts in the United States provide 90% of all payments which are made by checks today. Cash payments continue to be less and less popular.

Every modern consumer can benefit from the wise use of a personal checking account. The advantages of a checking account; alternatives available; and the mechanics of depositing, check writing, and balancing an account are presented as a means of providing the student the skills and procedures necessary for maintaining a personal checking account.

Savings Accounts

Saving is the area of financial planning most easily and frequently overlooked by the young consumer. It is necessary to "sell" the advantages and "painlessness" of such a program.

Goals, types of accounts, and alternatives are presented with emphasis on maintaining a personal savings account.

Content Outline

Checking Accounts

I. What checks represent

II. Advantages of checking accounts
   - A. Protection
   - B. Convenience
   - C. Receipts
   - D. Savings
   - E. Credit reference
   - F. Economy

III. Disadvantages of checking accounts
   - A. Identification
   - B. Refusal
   - C. Additional cost
   - D. Overdrafts

IV. Types of checking accounts
   - A. Regular
   - B. Special
   - C. Business or commercial

V. Types of checks
   - A. Personal
   - B. Certified
   - C. Cashier's
   - D. Traveler's
   - E. Money order

VI. Procedure for opening checking accounts
   - A. New account information
   - B. Signature card
   - C. Check book
   - D. Deposit method

VII. Check writing

A. Procedures
1. Record all checks
2. Date
3. Name of person to whom check is written
4. Numerical amount
5. Written amount
6. Legal signature

B. Precautions
1. Use ink
2. Legal signature
3. Prevent tampering with amounts
4. Avoid premature signing of checks
5. Be aware of current balance
6. Guard against loss

VIII. Check endorsing

A. Purpose of endorsement

B. Types of endorsement
1. Blank endorsement
2. Restrictive endorsement
3. Transfer endorsement

IX. Check cashing requirements

A. Identification required

B. Fees charged

C. Prompt cashing

D. Acceptability

X. Procedure for stopping payment

XI. Procedure for balancing account

A. Arrange checks by number

B. Compare cancelled checks with register

C. List outstanding checks

D. List deposits

E. Include costs

F. Calculate balance

G. Reconcile balance

Savings Accounts

I. Reasons for saving
   - A. Emergency
   - B. Unemployment
   - C. Travel/Recreation
   - D. Education
   - E. Home ownership
   - F. Pension supplement
   - G. Consumer goods
   - H. Positive credit rating

II. Personal savings considerations
   - A. Needs assessment
   - B. Personal goals and objectives
   - C. Savings ability assessment
   - D. Commitment

III. Savings institution considerations
   - A. Security (e.g. FSLIC)
   - B. Liquidity
   - C. Interest rate
   - D. Convenience
   - E. Savings premiums offers

IV. Alternative savings institutions
   - A. Savings and loan
   - B. Credit unions
   - C. Insurance companies
   - D. U.S. Government
   - E. Corporate pension/retirement plans

V. Types of savings accounts
   - A. Passbook savings
   - B. Special accounts
   - C. Certificates of deposit
   - D. U.S. Savings Bonds

VI. Savings account maintenance
   - A. Opening an account
     1. New account information
     2. Signature Card
     3. Passbook, if applicable
     4. Deposit
   - B. Maintaining an account

Student Objectives

1. Given a description of one check component and a list of appropriate alternatives, the student will select from it the correct component.

2. Given a list of possible phrases, the student will identify the one which correctly describes what a check represents.

3. Given a paying/purchasing situation and a list of advantages/disadvantages of using checks rather than cash, the student will select the correct advantage/disadvantage for the situation.

4. Given a list of types of checks, examples of types of checks, or statements about types of checks and a question requiring identification of them, the student will select the correct alternative from the list.

5. Given a list of banking-related words, the student will choose the three that represent essential information that should be learned before opening a checking account.

6. Given a series of sentences about types of accounts and their related services, the student will identify the statements that are correct and those that are not.

7. Given a situation calling for the choice of one kind of account or check over others and a list of appropriate alternatives, the student will select the correct response from the list.

8. Given a list of elements possibly needed for opening an account, the student will choose the two that are always necessary.

9. Given a list of appropriate alternatives and a question related to filling out a deposit slip, the student will select the correct response from the list.

10. Given a list of statements about keeping a check register, the student will select the correct response from the list.

11. Given appropriate figures, a situation requiring their use as if on a check stub, and a list of appropriate alternatives, the student will choose from the list the correct figures for the situation described.

12. Given a description of one kind of check endorsement and a list of several kinds, the student will select the one described.

13. Given a series of statements regarding special information (dates, name spellings, etc.) related to endorsing and writing checks, the student will identify the statements that are correct and those that are not.

14. Given a list of possible factors in cashing checks where one is unknown, the student will select those that are most important.

15. Given several alternative outlines of the procedure for stopping payment of a check, the student will select those that are most important.

16. Given appropriate figures and information as if on a bank statement, the student will balance the account.

17. Given a situation involving the choice of one kind of savings account over others and a list of appropriate alternatives, the student will select the correct response.

18. Given a series of statements related to secondary benefits of saving, the student will identify those called the two primary "bonuses."

19. Given a list of possible concerns in choosing a savings institution, the student will select the four that are considered to be the most basic.

20. Given a list of types of savings institutions and the name of a savings insurance agency, the student will select the types of savings institutions insured by the agency.

21. Given a list of bookkeeping methods used by savings institutions, the student will choose the one which yields the greatest financial benefit.

22. Given a list of the four major types of savings accounts, a list of savings account characteristics, and a question relating the two lists, the student will select from the proper list the required response.

23. Given a question about the proper use of banking forms and a list of appropriate alternatives, the student will select the correct response for the list.

24. Given a password and several alternatives, the student will identify the definition of the password.

Introductory Activities

Generalizations	Activities	Resources
Knowledge of the purpose and functions of a bank in a free enterprise society is important for modern consumers.	1. Administer *You Can Bank On It!* test as a Pre-test.	* Test Teacher PAL
	2. Utilize an audio-visual approach to define banking and banking services.	+ Banking (16 mm film - Film Guide #1) Churchill Films
		+ The Money Book (book) Xerox Publications
		+ You and Your Community Bank (multi-media kit) The NOW Corporation
	3. Discuss the evolution of banks as a social institution -- that even before the invention of coins, the business of money-lending and holding of valuables for people flourished.	* Student PAL, pp. 3-6
		= Banking in Action (16 mm film) Florida Bankers Assn.
	4. Discuss the services and functions of a bank. Include: the bank's role in the general economy banking services offered costs of services number of services career opportunities in banking	= Banking: No Limit to Dimensions (16 mm film - Film Guide #2) Florida Bankers Assn.
		* Transparency Master #1 Teacher PAL

Generalizations	Activities	Resources
	5. Plan a field trip to a local bank. Request that the class be allowed to observe each step in the local banking operation.	
	6. Arrange a bulletin board display of ads and promotional devices used by local banks.	+ Local newspapers
	7. Assign an individual or groups of students to research and report on:	
	Agencies regulating banking	= The Federal Reserve at Work (pamphlet) Federal Reserve Bank of Richmond = The Federal Reserve System = How Banks Create Money = How the Clearinghouse Works = How Monetary and Fiscal Policies Work (Student activity masters packets) Federal Reserve Bank of Minneapolis = The Federal Reserve Today (pamphlet) Federal Reserve Bank of Atlanta

Generalizations	Activities	Resources
		= Your Insured Deposit (pamphlet) Federal Deposit Insurance Corporation
	Types of local banks; the services and costs of each	= "Services and Charges" pamphlets from local banks
		= Bank Services and Functions (Student activity master packet) Federal Reserve Bank of Minneapolis
	Career opportunities in banking	Local banker
		+ Is a Career in Banking for You? (16 mm film - Film Guide #3) Counselor Films, Inc.
		= Step into Banking (16 mm film) Florida Bankers Assn.
	Individual research topics	= Consumer Education (Teaching units) The Sun Banks of Florida, Inc.
		+ How Our Bank Helps Our City (pamphlet) Manufacturers Hanover Trust

Generalizations	Activities	Resources
	8. Suggest that students prepare bank commercials for both TV and radio. Video tape and/or tape commercials.	+ Career Awareness, Unit I - "Kinds of Money" (filmstrip) Scott Education = Your Money and the Federal Reserve System (booklet) Federal Reserve Bank of Minneapolis

Developmental Activities

Activities	Resources
1. Utilize **WHAT ARE CHECKS?**	* Student PAL, pp. 7-14
2. Discuss the purpose of a checking account, including the fact that checks represent cash on deposit.	= Checkpoints: How to Write and Use Checks (pamphlet) Federal Reserve Bank of Boston + Personal Checking Accounts (student packet) Unigraph Products + A Place to Keep Your Money: A Unit on Banking (multi-media kit) Grolier Educational Corp.
3. Survey bank advertising: Collect examples of advertisements offering checking account services. Have students write advertisements to encourage opening checking accounts. Suggest that students stress the benefits.	* Transparency Master #2 Teacher PAL
4. Have a committee prepare a large-size check for the bulletin board. Utilize the check throughout the study.	* Transparency Master #3 Teacher PAL
5. Prepare a bulletin board display of Special Checks: Cashier's Check, Certified Check, Bank Money Order, Traveler's Check Discuss the characteristics of each.	= Local bank check specimens

Activities	Resources
6. Display or list each type of special check and ask students to give examples of situations in which each type of check would be most appropriate.	* Transparency Master #4 Teacher PAL
1. Utilize **IS A CHECKING ACCOUNT FOR ME?**	* Student PAL, pp. 15-18
2. Develop a Checklist to use for selecting a bank in which to open a checking account. Include such questions as: WHAT ARE THE SERVICES OFFERED? WHAT SERVICE FEES ARE CHARGED? IS THE BANK COVERED BY FDIC? IS THE BANK CONVENIENTLY LOCATED? HOW WELL IS THE BANK KNOWN? WHAT TYPES OF ACCOUNTS ARE AVAILABLE? ARE THE EMPLOYEES HELPFUL AND FRIENDLY? Discuss methods for answering these questions. Note that some of the questions may be answered by telephone survey or observation, while others may require a personal visit or a survey of the bank's customers. Emphasize that the importance of the answers to each question vary with the consumer.	* Student Activity Sheet #1 Teacher PAL
3. Discuss personal needs as an important consideration in the choosing of the proper type of checking account. Include: Account activity (how many deposits will be made, how many checks written) Balance (how much must be kept in the account) Checks (types available, cost of checks) Charges (service charges for maintaining account)	

Activities	Resources
4. Have students collect "Services and Charges" brochures from local banks. Suggest that students evaluate several of these banks as appropriate for their own individual accounts.	
1. Utilize **USING A CHECKING ACCOUNT**	* Student PAL, pp. 19-40
2. Utilize an audio-visual approach to explore the history, significance, and function of checking accounts and to illustrate how the checking system works.	= Paying by Check = Story of a Check = 24 Hours in the Life of a Check (16 mm films) Florida Bankers Assn.
3. Discuss the items necessary to open a personal checking account: a signature card a deposit a deposit slip	+ Personal Checking Accounts (learning activity package) Unigraph Products
4. Have students practice completing a signature card and a deposit slip. Emphasize the need for each and the importance of accuracy.	
5. Illustrate the check-writing process as a two-part process, each part consisting of 5 steps. Emphasize the importance of completing the check register or stub first.	+ Banking and Banking Services (multi-media kit) Changing Times Education Service + Checking Accounts and How to Use Them, Tape #8 - Money Management (cassette and transparencies) Paul S. Amidon

Activities	Resources
6. Practice writing sample checks.	* Student Activity Sheet #2 Teacher PAL
7. Illustrate the four basic types of endorsements.	* Transparency Master #5 Teacher PAL
8. Ask students to describe situations appropriate for each type of endorsement.	
9. List the requirements for cashing a check, and discuss the fact that these requirements are often thought of as one disadvantage of using checks. Emphasize that the requirements for identity and acceptability are the reasons one may need "special checks" in certain situations.	* Transparency Master #6 Teacher PAL
10. List the situations in which it may be necessary to "Stop Payment" on a check.	
11. Emphasize the importance of the Stop Payment order in written form and that even if the bank has been contacted by phone, the written form is a requirement.	
1. Utilize **THE BALANCING ACT**	* Student PAL, pp. 41-50
2. Obtain and duplicate a sample bank statement and discuss each section with the class.	
3. List which items in both the check register and bank statement may need to be adjusted to make an account "balance." Include: Service charges Outstanding checks Deposits which have not been recorded Overdrafts Errors in computation	

Activities	Resources
4. Discuss the methods for reconciling a bank statement and a checkbook.	= About Checking Accounts (pamphlet) Channing L. Bete Co. + Banking Is (student booklets) National Learning Productions, Inc. + Environmental Survival Skills, "Money and Banking" (teaching unit) Mind, Inc. + You and Your Community Bank "Bank Reconcilement" (transparency) The NOW Corporation
1. Utilize **IS A SAVINGS ACCOUNT FOR ME?**	* Student PAL, pp. 51-64
2. Discuss reasons for saving.	* Transparency Master #7 Teacher PAL
3. Write ten to fifteen quotes about saving on colored construction paper and display on a bulletin board. Utilize both serious and humorous examples. Invite students to add to the list.	

Activities	Resources
4. Interpret quotations about savings. Examples: A PENNY SAVED IS A PENNY EARNED. PAY YOURSELF FIRST. SAVING BEGINS WITH GOALS AND A PLAN. MONEY MAKES MONEY AND THE MONEY THAT MONEY MAKES, MAKES MORE MONEY.	+ Money Management, Saving Unit - "A Quota of Quotes" Changing Times Education Service
5. Discuss goals as a factor in saving. Include short-term and long-term goals. Short-term: a shirt, a new set of tires, a special date, etc. Long-term: education, a house, investments, etc.	* Transparency Master #8 Teacher PAL
6. Develop a list of short- and long- term student needs. Determine how much would have to be saved per week to achieve one or more of these needs.	
7. Discuss the fact that goals change with age and lifestyle. Make a chalkboard list of saving goals for teens, young adults, newly married couples, growing families, retired persons. or List savings goals and classify them according to which group or groups would have such goals.	* Transparency Master #9 Teacher PAL
8. Discuss opinions on saving: SOME PERSONS ARE POSSESSED WITH THE NEED TO SAVE. OTHERS SAY LIVE IT UP BECAUSE THE OLD REASONS FOR SAVING NO LONGER APPLY. WHO IS RIGHT?	
9. Rate reasons for saving. Prepare a class list of ten to twenty reasons for saving and ask the students to rank-order the list individually. Discuss whether the rankings will be the same. Why?	

Activities

1. Utilize **USING A SAVINGS ACCOUNT**

2. Hold a class discussion on savings.
   Include such questions as:

   HOW DO ATTITUDES INFLUENCE THE HABIT OF SAVING?
   WHAT OTHER FACTORS INFLUENCE THE AMOUNT AN INDIVIDUAL OR FAMILY MAY SAVE?
   SHOULD EVERYONE SAVE PART OF HIS INCOME?
   IS IT POSSIBLE FOR A VERY LOW INCOME FAMILY TO SAVE?

3. List ways in which a saving account works for the saver.
   Include:
   - A feeling of security
   - Reaching your goals
   - Improving credit rating
   - Adds to income (interest earned)

4. Discuss the criteria for choosing a savings institution:
   - Why is <u>safety</u> usually put first and earnings second?
   - What is meant by <u>liquidity</u>?
   - In what circumstances might liquidity be important?
   - How does purpose affect the choice of a savings institution?

5. List the types of savings institutions available and discuss the advantages of each.
   - Commercial banks
   - Savings and loan associations
   - Mutual savings banks
   - Credit unions

6. Ask a group of students to check interest rates paid by local savings institutions. Compare the difference in annual earnings for various amounts on deposit.

* Student

* Transp
Teache

+ Saving
(16 mm
Films,

Activities	Resources
7. Invite speakers from local savings and loan associations, commercial banks, and credit unions to speak to the class. Request that speakers cover: How consumers are served Sources and use of income Regulations How accounts are insured Methods of computing interest Banking forms such as certificates of deposit	Local resource persons
8. Invite a consumer protection agency investigator or representative to speak on current forms of financial frauds to guard against.	Local resource person
9. Emphasize the importance of the bookkeeping method used in computing and crediting interest to an account: THERE ARE AT LEAST FIFTY-FOUR DIFFERENT WAYS TO COMPUTE INTEREST ON A SAVINGS ACCOUNT. FOUR PRINCIPAL METHODS: FIFO (FIRST IN, FIRST OUT) LOW BALANCE (OR HIGHEST CONTINUOUS BALANCE) LIFO (LAST IN, FIRST OUT) DD/DW (DAY OF DEPOSIT TO DAY OF WITHDRAWAL) GRACE DAYS -- DEPOSITS MADE AS LATE AS THE 10TH (OR IN SOME CASES THE 20TH) DAY OF ANY INTEREST PERIOD WILL BE PAID INTEREST FOR THE ENTIRE PERIOD	* Student Activity Sheet #3 Teacher PAL
10. Compile a fact sheet to compare or rate different savings plans on the basis of interest paid, services offered, and degree of risk involved.	
11. Compare three of the basic types of savings accounts or plans: Passbook savings Savings certificates U.S. Savings Bonds	

Activities	Resources

12. Discuss the division of savings into more than one type of account when possible.
    "Put your rainy-day dollars where you can get at them when the first drops fall." This usually means a passbook account. Certificates of Deposit sacrifice interest if withdrawn before maturity.

13. Stress the value of "forced" savings for those who find it difficult to save. Options available include payroll deductions and automatic transfer of funds.

14. Characterize the "Perfect" Savings Account as the account with:

    DAY-OF-DEPOSIT TO DAY-OF-WITHDRAWAL FORMULA
    DAILY COMPOUNDING AND CREDITING OF INTEREST
    NO WITHDRAWAL PENALTIES
    NO MINIMUM BALANCE REQUIRED TO EARN INTEREST

    Emphasize that such an ideal account may not be available in every area. The consumer must determine how important each provision is according to the way he plans to use his account.

15. Contrast the responsibilities of the checking account customer and the savings account customer.
    All record-keeping and computation is a service to the customer with a savings account.
    Emphasize the importance of remembering to have all transactions recorded in the passbook, however.

Review Activities

Generalizations	Activities	Resources
Basic personal banking services in a free enterprise society offer today's consumer many valuable tools in the management of his personal finances.	1. Compare the difference between a checking account and a savings account: Purpose: A checking account is a convenient way to pay; helps keep track of money A savings account helps build up the money you don't spend right away Payment: Checking--you pay the bank a service charge Savings --the bank pays you interest for the use of your money Records: Checking--three records of spending: stubs or check register, monthly bank statement, and the cancelled checks Savings --only one record -- your passbook 2. Discuss that once a bank is chosen its services should be used carefully and to the consumer's best advantage: Balance your checking account every time you receive a statement Use computerization services available from the bank Save regularly Maintain passbook savings Purchase Certificates of Deposit when you have three to six months' income in a passbook account 3. Present research and report projects.	* Introductory Activities #6 and #7 Teacher PAL

Generalizations	Activities	Resources
	4. Make posters, diagrams or displays illustrating the functions of banking. 5. After students have mastered the technique of check writing, set up a mock bank in the classroom and have the students role play: Opening checking accounts Endorsing and cashing checks written by other students Stopping payment on checks 6. Arrange for a committee of students to present a banking display in the school media center. 7. Present a skit on banking.	+ General Business Skits, "Banks and Banking Services" (booklet) South-Western Publishing Company
	8. Present a skit on saving.	+ General Business Skits, "Saving and Investing Money" (booklet) South-Western Publishing Company
	9. Have students prepare and present mini-lessons on various banking topics for other school groups. Video-tape if feasible. 10. Compose a list of Additional Banking Services and discuss each service.	

Generalizations	Activities	Resources
	11. Devise games and puzzles to review the vocabulary of banking.	* Student Activity Sheet #4 Teacher PAL
	12. Discuss: HOW CAN MY LOCAL BANK HELP ME-- TODAY, 10 YEARS FROM NOW, 20 YEARS FROM NOW?	
	13. Review the student objectives for this module.	* Student Activity Sheet #5 Teacher PAL
	14. Administer *You Can Bank On It!* test as a Post-test.	* Test Teacher PAL

General Resources – Addresses

Changing Times Education Service
1729 H St., N.W.
Washington, D.C. 20006

Channing L. Bete Company
45 Federal St.
Greenfield, MA 01301

Churchill Films
662 North Robertson Blvd.
Lon Angeles, CA 90069

Counselor Films, Inc.
2100 Locust St.
Philadelphia, PA 19103

Federal Deposit Insurance Corporation
550 17th St., N.W.
Washington D.C. 20429

Federal Reserve Bank of Atlanta
104 Marietta St., N.W.
Atlanta, GA 30303

Federal Reserve Bank of Boston
30 Pearl St.
Boston, MA 02106

Federal Reserve Bank of Minneapolis
250 Marquette Ave.
Minneapolis, MN 55480

Federal Reserve Bank of Richmond
P.O. Box 27622
Richmond, VA 23261

Films, Inc.
1144 Wilmette Ave.
Wilmette, IL 60091

Florida Bankers Association
341 N. Mills Ave.
Orlando, FL 32803

Grolier Educational Corporation
845 Third Ave.
New York, NY 10022

Manufacturers Hanover Trust Company
350 Park Ave.
New York, NY 10022

Mind, Inc.
1133 Avenue of the Americas
New York, NY 10036

National Learning Productions, Inc.
505 Sixth Ave.
St. Albans, WV 25177

The NOW Corporation
P.O. Box 366
St. Albans, WV 25177

Paul S. Amidon and Associates, Inc.
1966 Benson Ave.
St. Paul, MN 55116

Scott Education
5 Lower Westfield Road
Holyoke, MA 01040

South-Western Publishing Company
5101 Madison Rd.
Cincinnati, OH 45227

The Sun Banks of Florida, Inc.
200 S. Orange Ave.
Orlando, FL 32801

Unigraph Products
P.O. Box 24287
Seattle, WA 98124

Xerox Education Publications
Education Center
Columbus, OH 43216

Specialized Vocabulary

AMOUNT	The amount of money to be paid to the payee by the maker of a check
ANNUAL	Once a year
AUTOMATIC TRANSFER	The regular transfer of a certain, specified amount from one account to another; examples are insurance premium drafts and loan payments
BALANCE	The amount of money available in an account
BANK	An establishment for receiving, keeping, and lending money
BANK DRAFT	A check drawn by a bank against funds deposited in another bank
BANK MONEY ORDER	Official draft or check sold to a customer for a fee
BANK STATEMENT	A statement of the bank's record of transactions in an account
BOOKKEEPING	Method used to compute and credit interest to a savings account
CANCELLED/CLEARED CHECK	A check that has been cashed by the payee, returned to the bank upon which it was written, and paid to an account
CASHIER'S CHECK	A check the bank draws on its own funds and signed by the cashier; also called a Treasurer's Check
CASHLESS SOCIETY	An economy based on the transfer of money by computer and the exchange of paper receipts rather than the use of coins and currency
CERTIFIED CHECK	A bank-guaranteed regular personal check

CHECK	A written order to the bank to draw funds from a deposit account, payable on demand
CHECKBOOK REGISTER	A checking account record kept of all deposits, checks written, and current balances
CHECKING ACCOUNT	A personal bank account which permits a depositor to write checks against the balance in his account
CLEARING HOUSE	An organization, established by banks in the same area, through which checks and other instruments are exchanged and net balances settled
COIN	Penny, nickel, dime, quarter, half-dollar, or dollar
COLLATERAL	Something of value pledged as security for a loan
COMMERCIAL BANK	Financial institution which offers checking and savings accounts and which is owned by stockholders
COMMITMENT	Ability to "stick to" a savings plan
COMPOUND INTEREST	Interest which is computed on both the principal and the interest in a savings account
CONVENIENCE	Availability of banking services
CREDIT RATING	An evaluation of one's willingness and ability to pay debts, based on his past performance

CREDIT RATING FACTOR	An item used in the evaluation of one's past credit record
CREDIT REFERENCE	A source for determining credit worthiness
CREDIT UNION	A financial cooperative in which members with a common bond (employer, church, housing development, etc.) join together to save money and make loans to members
CURRENCY	Paper or "folding" money
DEPOSIT	Money put in an account; money used to open an account
DEPOSIT TICKET	Bank form used for depositing money into an account
EARNINGS	Interest
ENDORSEMENT	One's name signed on the back of a check
ENDORSEMENT IN BLANK	The payee's signature only on the endorsing end of a check
ENDORSEMENT IN FULL	Endorsement stating, "Pay to the order of," used when the payee wishes to give the check to someone else
FDIC	Federal Deposit Insurance Corporation; insurer of deposits in commercial banks
FSLIC	Federal Savings and Loan Insurance Corporation; insurer of deposits in savings and loan institutions
GOALS	Reasons or purposes for saving; "things" to buy with savings dollars

IMPULSE BUYING	Spur-of-the-moment purchasing
INTEREST	Money made or earned on money which is in savings accounts or bonds
JOINT ACCOUNTS	Checking accounts for which either member may make deposits or write checks
LIQUIDITY	The ease with which money can be withdrawn from a savings account
MONTHLY	Once a month
NCUA	National Credit Union Administration; insurer of deposits in credit unions
OUTSTANDING CHECK	A check that has been written, but not cashed and cleared
PASSBOOK	A book issued to a savings account customer for keeping a personal record of all deposits, interest and withdrawals
PAYEE	The name of the person or organization to whom money is to be paid by check
PERSONAL CHECK	A check drawn on the account of an individual or individuals
POST-DATE	To date a check for a future date
QUARTERLY	Once every three months
RECEIPTS	Written records of payments

RECONCILE/BALANCE	Method of adjusting personal records and bank statement figures
RESTRICTIVE ENDORSEMENT	Endorsement stating, "For deposit only", restriciting what can be done with the check
SAVINGS ABILITY	Amount which one can save based on income and needs
SAVINGS ACCOUNT	An account in which money is deposited and on which interest is paid
SAVINGS & LOAN	Financial institution which pays interest on money deposited in savings accounts and makes real estate loans
SEMI-ANNUALLY	Once every six months
SERVICE CHARGE	Fee charged by a bank for maintaining a checking account
SIGNATURE	A person's name in the form used on legal documents--usually includes the first name, middle initial, and last name
SIGNATURE CARD	Bank card used to establish identity and signature recognition
STUB	A form of checkbook register on which the check is recorded
TRAVELER'S CHECKS	Checks purchased in amounts of $10, $20, $50, $100 or more; used when ordinary identification is difficult
VALID	Having legal force
VOID	Not valid
WITHDRAWAL TICKET	Bank form used to withdraw money from a savings account

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Film Descriptions

BANKING (22 minutes) - Churchill Films, 1978 FILM GUIDE #1

April's fiscal sophistication is arrested at the level of keeping her paycheck hidden in her potted palm. Acidulous Nettie who collects rent and dispenses gratuitous information takes April in hand leaving her (and us) wiser on matters of banks, savings and loans, checking and savings accounts, statements and balances, interest and miscellaneous services. As the sun sinks in the west, Nettie makes a withdrawal from her savings account and buys that motorcycle that she has been lusting for.

BANKING IN ACTION (20 minutes) - Florida Bankers Association

This film shows many of the historical events in which banking has played an important role, including the settling of the West, building of the transcontinental railroads, financing the Civil War, and the creation of a uniform national currency in 1863. It also shows many modern bank services today with striking examples of new bank architecture and high-speed electronic computing devices.

BANKING: NO LIMIT TO DIMENSIONS (30 minutes) - Florida Bankers Association FILM GUIDE #2

This film relates the public to bankers, bankers to community growth, and community growth to improve living. It describes modern banking services to help the viewer achieve a new understanding of today's banks and to encourage wider use of bank services.

IS A CAREER IN BANKING FOR YOU? (16 minutes) - Counselor FILM GUIDE #3

This film is custom-made for young people, vitalizing attention from a score featuring their own contemporary beat. It explores the vast, multifaceted world of banking.

PAYING BY CHECK (15 minutes) - Florida Bankers Association

The treatment of this film is an exploration of the history, significance, and function of checking accounts. It is designed to show how a checking account works, how to write a check properly, what happens to a check after it has been written, how to balance a checking account, and many other helpful suggestions.

SAVINGS ACCOUNTS (13 minutes) - Films, Inc., 1977 FILM GUIDE #4

How do you shop for a savings account? This film tells where to start looking and how to take advantage of maximum interest rates. Highlighted are the importance of comparative shopping and features such as grace days, daily compounding and daily crediting.

STEP INTO BANKING (14 minutes) - Florida Bankers Association

This film is a student's-eye view of what kind of people work in banks, and what they do. It admirably serves its purpose as "An Introduction to Job Opportunities in the Field of Banking" -- the film's subtitle.

STORY OF A CHECK (13 minutes) - Florida Bankers Association

This film illustrates how the checking system works and how modern machinery and skilled workers accurately process millions of dollars worth of checks every day. Animated figures show the procedure for using a check.

24 HOURS IN THE LIFE OF A CHECK (24 minutes) - Florida Bankers Association

An orientation film for the public as well as new bank employees, this film tells what happens to a check from the time it is written until it is returned with the monthly statement. Most of the action takes place behind-the-scenes in the bank and clearly portrays how each job fits into the total bank operation.

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INSTRUCTIONAL AIDS

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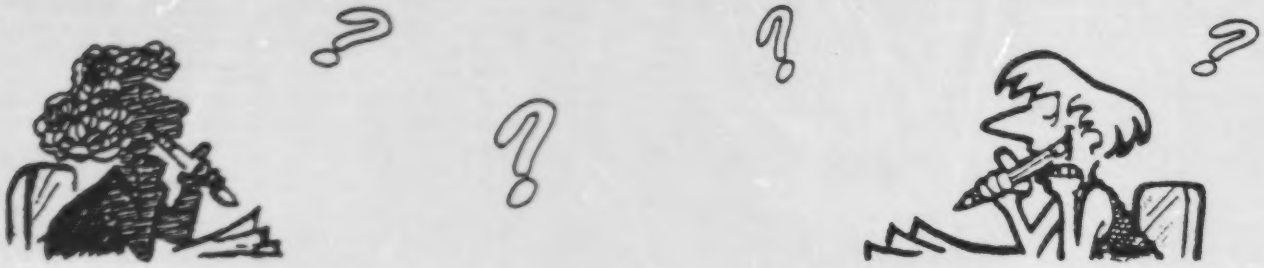


You Can Bank On It!

CHOOSE THE BEST ANSWER FOR EACH STATEMENT OR QUESTION.

1. After cancellation, the numerals that appear in the lower, right corner of the front of the check tell the
   - A. bank number.
   - B. account number.
   - C. date of the check.
   - D. amount of the check.

2. A check is
   - A. a written order to a bank to draw funds from a deposit account, payable on demand.
   - B. a record of all deposits, withdrawals and current balances.
   - C. a form used to make a deposit to an account.
   - D. protection against withdrawing money in excess of the amount in an account.

3. Mrs. Choppers ordered some dentures by mail and included a check with her order. Six weeks later, the check had cleared her bank, but the false teeth had not arrived. Mrs. Choppers called the company on the phone and was told by the complaint manager that her order would be shipped when the company was paid. Mrs. Choppers insisted that she had paid. What is Mrs. Choppers' best proof of payment?
   - A. The checkbook stub
   - B. The cancelled check
   - C. The checkbook register entry
   - D. The outstanding check

4. Which of the following is FALSE?
   - A. Personal checks are drawn on personal accounts.
   - B. Certified checks are guaranteed by a bank.
   - C. Bank drafts are checks drawn by a bank on its own funds.
   - D. Cashier's checks are drawn by a bank on funds it has in another bank.

5. What types of questions will the good consumer ask before opening a checking account?
   A. Amount, checks, interest
   B. Checks, cost, interest
   C. Amount, cost, interest
   D. Amount, checks, cost

6. A joint checking account is one in which
   A. more than one person has to sign the checks.
   B. no minimum balance is required.
   C. service charges are based on money in the account.
   D. more than one person may make deposits and write checks.

7. The Last National Bank wants to transfer some of its money from the Federal Reserve Bank. The funds can be moved by
   A. cashier's check.
   B. certified check.
   C. bank draft.
   D. bank money order.

8. To open a checking account, it is necessary to have
   A. a signature card and money for deposit.
   B. money for deposit and a social security number.
   C. a savings account and money for deposit.
   D. money for deposit and an account number.

9. What should be put on the back of a deposit ticket?
   A. An endorsement
   B. A list of cash and checks
   C. A list of checks not listed on the front of the ticket
   D. Both A and C

10. The check register should be
    A. filled out once for each check and once for each deposit.
    B. endorsed for each transaction.
    C. filled out when the bank sends a statement.
    D. filled out once for each check.

11. If Joe had $35.28 in his checking account, deposited checks for $5.25 and $11.51 and wrote a check for $7.88, how much was the balance carried forward?
    A. 64¢
    B. $44.16
    C. $35.28
    D. $45.24

12. When a check is endorsed in full, the endorsement includes
    A. the payee's signature.
    B. "Pay to the order of," the name of the person who is to cash the check, and the payee's signature.
    C. "For deposit only" and the payee's signature.
    D. the payee's signature and the name of the payee's bank.

13. Which of the following statements is TRUE?
    A. Blank endorsements are the safest.
    B. Checks should be endorsed when received.
    C. Checks endorsed in pencil will be refused by the bank.
    D. A check must be endorsed in the same way it is made out.

14. The keys to cashing checks where you are not known are
    A. identity and promptness.
    B. identity and acceptability.
    C. identity, promptness and amount.
    D. identity, acceptability and amount.

15. In order to stop payment on a check, you MUST
    A. notify the bank in writing.
    B. notify the payee in writing.
    C. telephone the payee and notify the bank in writing.
    D. telephone the bank and the payee and then notify the bank in writing.

16. Happ was sent a bank statement for his checking account. The statement balance was $198.50 with a $2.50 service charge. Happ's checkbook balance was $205.50 because his $36.50 mail deposit had not yet been credited to his account when the statement was prepared. He also had outstanding checks for $15.00 and $17.00. The amount now available in Happ's balanced account is:
    A. $477.50
    B. $477.00
    C. $213.00
    D. $203.00

17. Mr. Gray is 50 years old and has $30,000 that he wants to save for his retirement in 15-20 years. To get the highest interest he should put his money in
    A. a passbook savings account.
    B. a special savings account.
    C. a joint checking account,
    D. certificates of deposit.

18. The two extra bonuses of saving money are:
    A. Your money is earning interest and it helps your credit rating.
    B. Savings help in emergencies and provide for long-range goals.
    C. Your money is earning interest and it provides for emergencies.
    D. Savings help your credit rating and allow you to pay cash.

19. The basic concerns in choosing a place to put savings are
    A. safety and earnings.
    B. safety, convenience and earnings.
    C. convenience, earnings and liquidity.
    D. convenience, earnings, liquidity and safety.

20. The FDIC (Federal Deposit Insurance Corporation) insures money in
    A. banks.
    B. credit unions.
    C. savings and loans.
    D. all of the above.

21. If four banks give the same rate of interest and are equal in all other respects except their frequency of compounding, the bank which will pay the most interest on your account is the one that compounds
    A. daily.
    B. annually.
    C. quarterly.
    D. continuously.

22. From which of the following savings accounts can the consumer obtain his money at any time, without penalty, during normal banking hours?
    A. Passbook savings
    B. Special accounts
    C. U. S. Savings Bonds
    D. Certificates of deposit

23. Which of the following banking forms does NOT have to be signed in order to be valid?
    A. Signature card
    B. Deposit ticket
    C. Withdrawal ticket
    D. B and C

24. Liquidity is
    A. the availability of banking services.
    B. the ability to stick with a savings plan.
    C. the ease with which money can be withdrawn from a savings account.
    D. the amount of money a banking institution keeps on hand with which to do its everyday business.

NAME _____

CLASS _____

DATE _____

You Can Bank On It!

1 Ⓐ ● Ⓒ Ⓓ

2 Ⓐ ● Ⓒ Ⓓ

3 Ⓐ ● Ⓒ Ⓓ

4 Ⓐ ● Ⓒ Ⓓ

5 Ⓐ ● Ⓒ Ⓓ

6 Ⓐ ● Ⓒ Ⓓ

7 Ⓐ ● Ⓒ Ⓓ

8 Ⓐ ● Ⓒ Ⓓ

9 Ⓐ ● Ⓒ Ⓓ

10 Ⓐ ● Ⓒ Ⓓ

11 Ⓐ ● Ⓒ Ⓓ

12 Ⓐ ● Ⓒ Ⓓ

13 Ⓐ ● Ⓒ Ⓓ

14 Ⓐ ● Ⓒ Ⓓ

15 Ⓐ ● Ⓒ Ⓓ

16 Ⓐ ● Ⓒ Ⓓ

17 Ⓐ ● Ⓒ Ⓓ

18 Ⓐ ● Ⓒ Ⓓ

19 Ⓐ ● Ⓒ Ⓓ

20 Ⓐ ● Ⓒ Ⓓ

21 Ⓐ ● Ⓒ Ⓓ

22 Ⓐ ● Ⓒ Ⓓ

23 Ⓐ ● Ⓒ Ⓓ

24 Ⓐ ● Ⓒ Ⓓ

:: 1 2 3 4 ~ 5 6 7 8 ::

WHICH BANK?

USE THIS CHECKLIST TO COMPARE BANKS & BANKING SERVICES.
MANY OF THE ITEMS CAN BE ANSWERED WITH A SIMPLE CHECK OR YES-NO.
THE IMPORTANCE OF EACH ITEM IS INDIVIDUAL.

	BANK A	BANK B	BANK C
NAME OF BANK			
Name of Officer Providing Information			
SERVICES			
Location			
Hours			
Banking by Mail			
Instant Money Machines			
Automatic Deposit of Paycheck			
Automatic Transfer of Funds			
Bank Credit Card			
U.S. Savings Bonds			
Travelers' Checks			
Certified Checks			
Money Orders			
COSTS			
Activity Plan			
Monthly Service Charge			
Cost Per Check			
Minimum Balance Plan			
Balance Required			
Service Fee if Below			
Other Accounts			
Monthly Service Charge			
Cost Per Check			
MISCELLANEOUS COSTS			
Stop-Payment Order			
Overdraft Charge			
Notify before bouncing?			
Free Two-Way Postage			

Checks for YOU

WRITE THESE CHECKS AS DIRECTED BY YOUR TEACHER.

00-5678
1234

_____ 19___

PAY TO THE ORDER OF _____ $_____

_____ DOLLARS

SECOND SOMOLEONS XCHANGE BANK
SANDSTONE, WYKOTA

_____

⑆1234⑈5678⑆ 123456789⑈

00-5678
1234

_____ 19___

PAY TO THE ORDER OF _____ $_____

_____ DOLLARS

SECOND SOMOLEONS XCHANGE BANK
SANDSTONE, WYKOTA

_____

⑆1234⑈5678⑆ 123456789⑈

00-5678
1234

_____ 19___

PAY TO THE ORDER OF _____ $_____

_____ DOLLARS

SECOND SOMOLEONS XCHANGE BANK
SANDSTONE, WYKOTA

_____

⑆1234⑈5678⑆ 123456789⑈

These four banks all pay the same interest rate— yet interest payments range from $44.93 to $75.30.

THERE ARE MANY WAYS OF COMPUTING INTEREST. STUDY THE FOUR PASSBOOKS SHOWING THE IDENTICAL DEPOSITS AND WITHDRAWALS (MADE ON THE SAME DAYS), WITH EXPLANATIONS OF HOW THE INTEREST HAS BEEN COMPUTED UNDER FOUR COMMON METHODS. ALL FOUR ASSUME A SIX PER CENT INTEREST RATE AND QUARTERLY CREDITING AND COMPOUNDING.

	DATE	WITHDRAWAL	DEPOSIT	INTEREST	BALANCE	TELLER
1						
2	JAN 10		**2,000.00		**3,000.00	
3	FEB-6		**1,000.00		**4,000.00	
4	MAR-3	*1,000.00			**3,000.00	
5	MAR 20	**500.00			**2,500.00	
6	MAR 30	**500.00			**2,000.00	
7	APR-1			*14.79	**2,014.79	
8	JUL-1			*30.14	**2,044.93	
9						
10						

LOW BALANCE

Under this method, interest is paid only on the smallest amount of money that was in the account during the interest period. Despite a balance that reached $4000 during the first quarter, this account earned interest only on $1000—the lowest balance during that period. (There are no withdrawals during the second quarter, so the low-balance formula is not important there.) This method, which tends to discourage deposits, is the most punitive to savers.

Interest: $44.93

	DATE	WITHDRAWAL	DEPOSIT	INTEREST	BALANCE	TELLER
1						
2					**1,000.00	
3	JAN 10		**2,000.00		**3,000.00	
4	FEB-6		**1,000.00		**4,000.00	
5	MAR-5	*1,000.00			**3,000.00	
6	MAR 20	**500.00			**2,500.00	
7	MAR 30	**500.00			**2,000.00	
8	APR-1			*22.19	**2,022.19	
9	JUL-1			*30.25	**2,052.44	
10						
11						

FIRST-IN, FIRST-OUT (FIFO)

With this method, withdrawals are deducted first from the starting balance of the interest period and then, if the balance isn't sufficient, from later deposits. This erodes the base on which your interest is figured and means you automatically lose interest on withdrawals from the start of the interest period rather than from the dates on which the withdrawals were actually made. Another variation of this method is to apply the first withdrawal to the first deposit, rather than to the beginning balance; this would earn $53.93.

Interest: $52.44

	DATE	WITHDRAWAL	DEPOSIT	INTEREST	BALANCE	TELLER
1						
2					**1,000.00	
3	JAN 10		**2,000.00		**3,000.00	
4	FEB-6		**1,000.00		**4,000.00	
5	MAR-5	*1,000.00			**3,000.00	
6	MAR 20	**500.00			**2,500.00	
7	MAR 30	**500.00			**2,000.00	
8	APR-1			*28.10	**2,028.10	
9	JUL-1			*30.34	**2,058.44	
10						
11						
12						

LAST-IN, FIRST-OUT (LIFO)

Under this plan, withdrawals are deducted from the most recent deposits in the quarter and then from the next most recent ones. This method, which does not penalize savers as much as the two FIFO methods, is used by about 5 per cent of commercial banks.

Interest: $58.44

	DATE	WITHDRAWAL	DEPOSIT	INTEREST	BALANCE	TELLER
1						
2					**1,000.00	
3	JAN 10		**2,000.00		**3,000.00	
4	FEB-6		**1,000.00		**4,000.00	
5	MAR-5	*1,000.00			**3,000.00	
6	MAR 20	**500.00			**2,500.00	
7	MAR 30	**500.00			**2,000.00	
8	APR-1			*44.71	**2,044.71	
9	JUL-1			*30.59	**2,075.30	
10						
11						
12						

DAY-OF-DEPOSIT TO DAY-OF-WITHDRAWAL

Under this arrangement, the bank pays you interest for the actual number of days the money remains in the account. This method, which is sometimes called daily interest, instant interest, or day-in day-out, is the fairest to consumers. It is used by almost 50 per cent of commercial banks and 60 per cent of insured S&Ls (there are no industry figures for savings banks). It yields the greatest return.

Interest: $75.30

YOU CAN BANK ON IT!

YOU CAN BANK ON IT! CONTAINS 68 PASSWORDS.
30 OF THESE PASSWORDS ARE LISTED BELOW.
USE THEM IN COMPLETING THE FOLLOWING EXERCISES.

Balance	*Endorsement in blank*	*Personal check*
Bank	*Endorsement in full*	*Post-date*
Bank statement	*FDIC*	*Quarterly*
Certified check	*FSLIC*	*Reconcile/balance*
Check	*Goals*	*Savings account*
Checkbook register	*Interest*	*Savings & loan*
Collateral	*Joint account*	*Service charge*
Credit union	*NCUA*	*Signature*
Deposit	*Outstanding check*	*Signature card*
Endorsement	*Payee*	*Traveler's checks*

A written order to the bank to draw funds from a deposit account, payable on demand _____

A check drawn on the account of an individual or individuals _____

A bank-guaranteed regular personal check _____

A check that has been written, but not cashed and cleared _____

Checks purchased in amounts of $10, $20, $50, $100 or more; used when ordinary identification is difficult _____

One's name signed on the back of a check _____

"Pay to the order of" endorsement _____

The payee's signature only on the endorsing end of a check _____

A statement of the bank's record of transactions in an account _____

A checking account record kept of deposits, checks written and current balances _____

Money put in an account _____

The name of the person or organization to whom money is to be paid by check _____

The method of adjusting personal records and bank statement figures _____

Insurer of deposits in credit unions _____

Insurer of deposits in savings and loan institutions _____

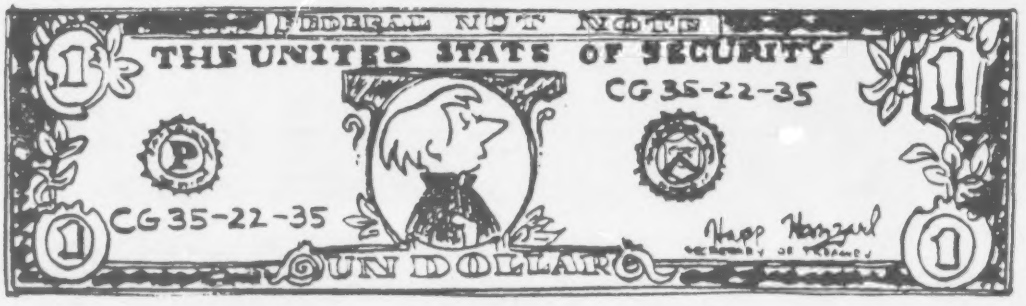
Insurer of deposits in commercial banks _____

Something of value pledged as security for a loan _____

To date a check for future use _____

An account in which money is deposited and on which interest is paid _____

Fee charged by a bank for maintaining a a checking account _____



You Can Bank On It!

NOW THAT YOU HAVE COMPLETED THE ACTIVITIES IN THE BANKING PAL, YOU SHOULD BE ABLE TO:

1. Identify the parts of a check and their functions.
2. Recognize the advantages and disadvantages of using a checking account.
3. Identify several kinds of checking accounts.
4. Identify several types of special checks and their uses.
5. Choose the proper kind of checking account for a particular person.
6. Open a checking account.
7. Fill out a deposit slip correctly.
8. Write checks correctly.
9. Endorse checks correctly for several different situations.
10. Make decisions about cashing checks in different situations.
11. Stop payment on a check.
12. Balance a checking account statement.
13. Recognize reasons for having a checking account.
14. Recognize the importance of personal decisions in opening and maintaining a savings account.
15. Choose an appropriate type of savings account for a particular person.
16. Choose an appropriate savings institution for a particular person.
17. Fill out the forms necessary for opening and maintaining a savings account.
18. Define the passwords.

film guide: BANKING

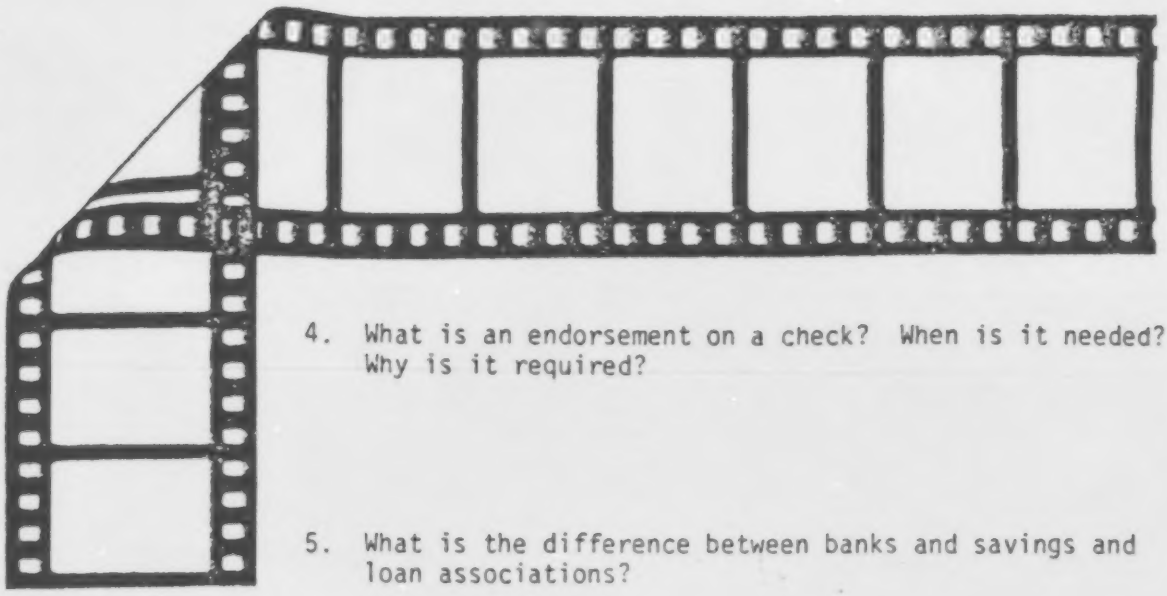
April's banking knowledge stops at the level of keeping her paycheck hidden in a potted palm. Nettie takes April in hand and explains banking terms and procedures. The film ends with a wiser April withdrawing funds from her savings account to buy that cherished motorcycle.

As you watch this film, or when it is completed, answer the following questions:

1. Assume you are out of school, have a family and job but no bank account. What are some of the problems that might arise from not having a checking account? A savings account?

2. You usually have to pay a service charge to have a checking account, whereas a savings account pays you interest. What is so different between the two kinds of accounts that causes the institution to charge you for one and pay you for the other?

3. What does a bank do with your money when you make a deposit? If the bank makes money on your deposited money, why do they charge you for a checking account? How can they afford to pay you interest on a savings account?



4. What is an endorsement on a check? When is it needed? Why is it required?

5. What is the difference between banks and savings and loan associations?

6. Do you feel there is really a good reason for having two different kinds of lending institutions with different laws governing their savings accounts?

7. Think of something expensive you would like to save money for. How much would you need to regularly deposit for how long to reach your goal? Include interest in your calculations. Which savings plan would you choose?

8. Define the following terms:

   a. account

   b. cancelled check

   c. check register

   d. interest

   e. monthly statement

   f. transaction

film guide: BANKING: No Limit to Dimensions

Today you will view a film on banking. By viewing the film, you will find answers to such questions as:

Why should I put my money in a bank account?

What are the two main types of personal accounts?

What are the advantages of these accounts?

How does a bank operate?

What are the departments in a bank?

As you watch the film, or when it is completed, answer the following questions:

1. In which type of account would you deposit your money for the following purposes?

   _____ To earn interest on your money
   _____ To reduce the amount needed for buying a car
   _____ To have a receipt for everything you pay for
   _____ To be sure you do not lose the money you carry with you

2. Could the bank help you in the following situations?

   You want to make more money at your job
   You need a loan to buy a car
   You want assistance in paying your taxes

44

film guide: IS A CAREER IN BANKING FOR YOU?

This film introduces you to career opportunities in the world of banking. Emphasis is given to the many jobs available and to the opportunities for advancement in the banking industry.

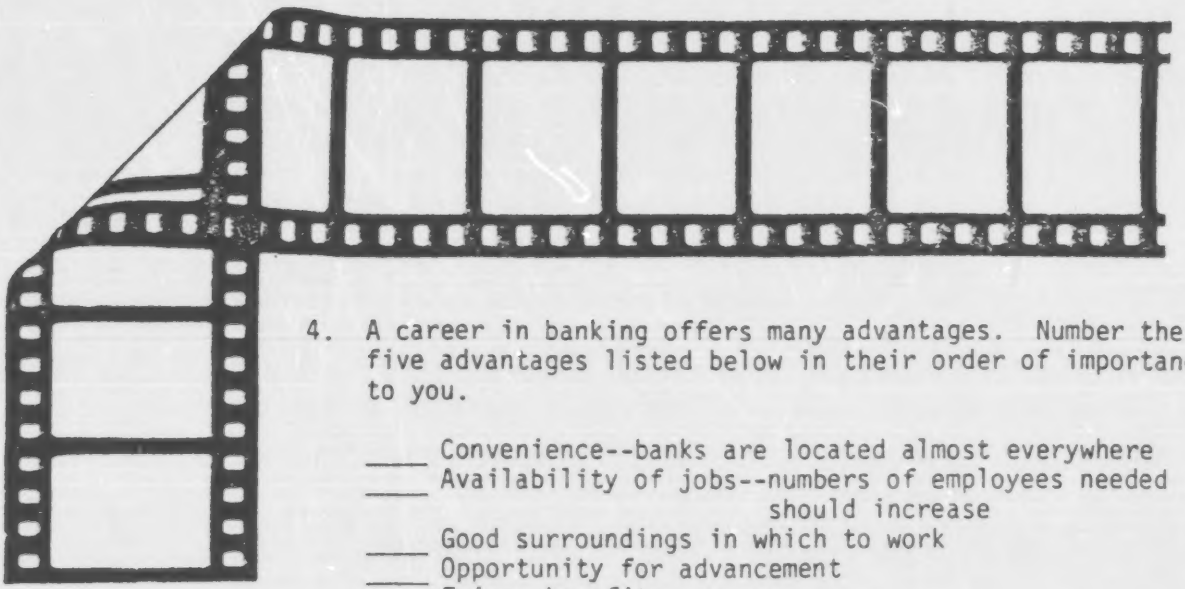
As you watch this film, or when it is completed, answer the following questions:

1. Because of the many services offered the public by a full service bank, employees are needed for many different types of jobs. Name at least three types of services offered bank customers.

2. Three major groups of jobs or job classifications are *CLERK, TELLER,* and *OFFICER.* To which of these classifications do typists, secretaries, machine operators, bookkeepers, foreign exchange, and mortgage specialists all belong?

3. Which of the three classifications requires a college degree?

45



4. A career in banking offers many advantages. Number the five advantages listed below in their order of importance to you.

____ Convenience--banks are located almost everywhere
____ Availability of jobs--numbers of employees needed should increase
____ Good surroundings in which to work
____ Opportunity for advancement
____ Fringe benefits

5. Why must a bank employee be able to work independently, accurately, and follow established routine? Discuss.

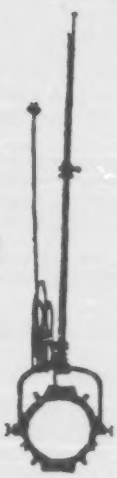
6. What is the AIB? How does it benefit employees?

7. Why are salaries dependent upon experience, size of the bank, and the bank location?

film guide:

SAVINGS ACCOUNTS

How do you shop for a savings account? This film tells where to start looking and how to take advantage of maximum interest rates. Highlighted is the importance of comparative shopping and features such as grace days, daily compounding and daily crediting.



As you watch this film, or when it is completed, answer the following questions:

1. Why do banks offer gifts?

2. Define the following:

   A. Day of deposit to day of withdrawal

   B. Grace days

   C. Compounding

3. What methods do banks use to compute interest?

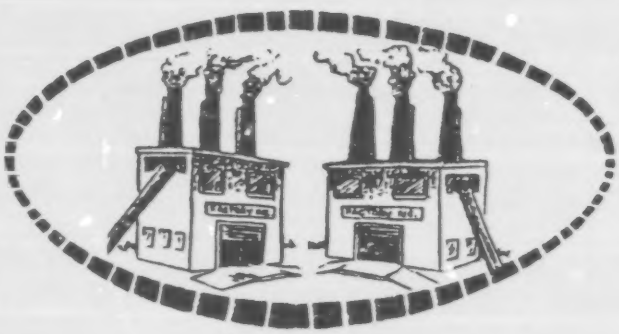
4. Give an example of a penalty or hidden charge.

5. Are smaller banks likely to offer better deals than larger banks? Why?

47

BANKS OFFER:

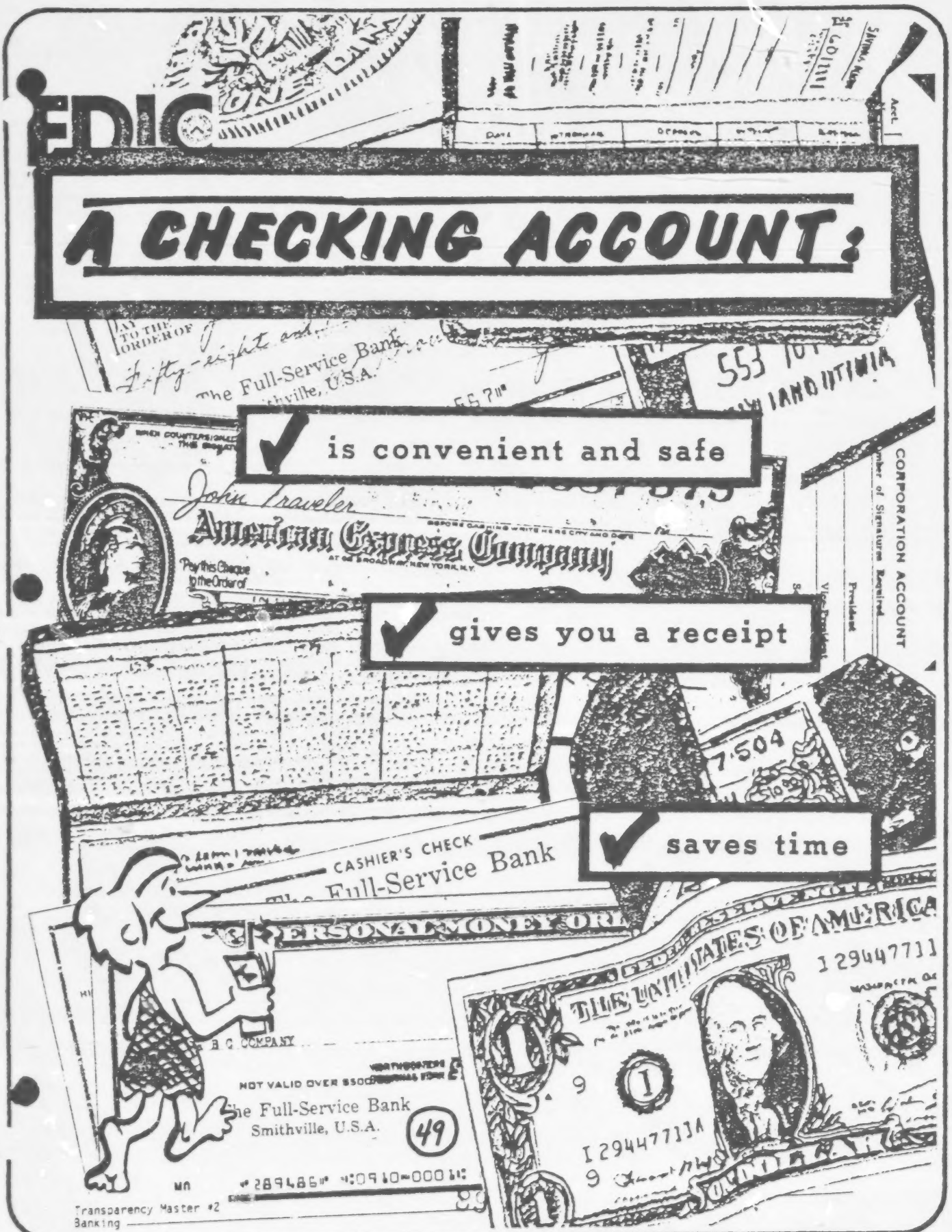
☆ ***Consumer services***



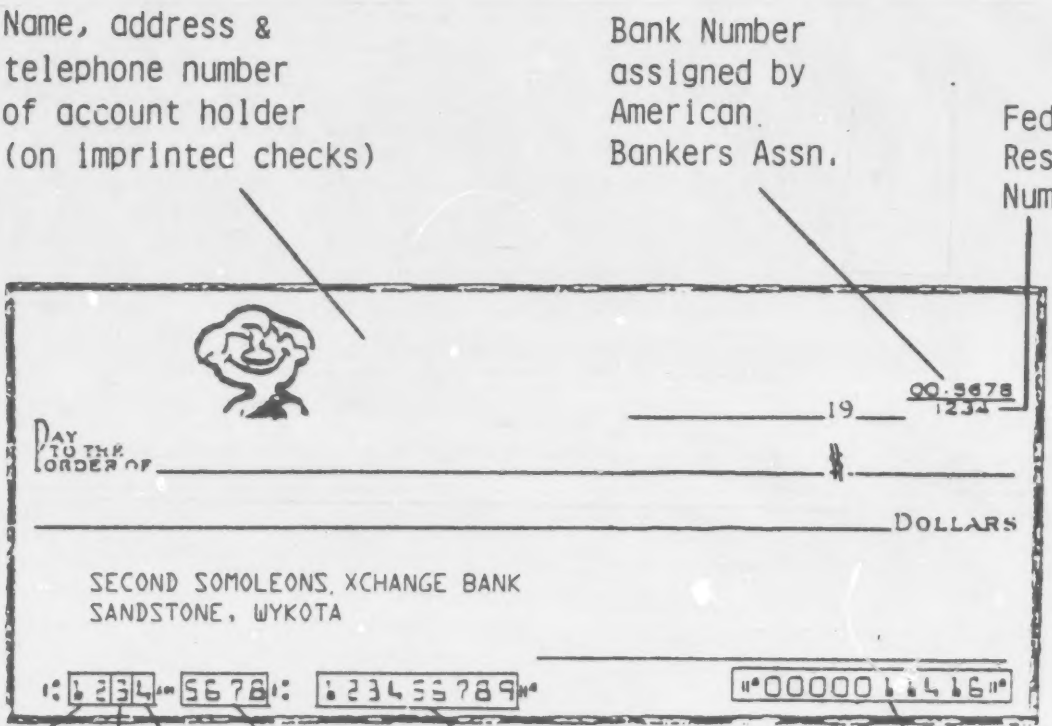
☆ ***Business services***

☆ ***Career opportunities***

Transparency Master #1
Banking


EDIC
A CHECKING ACCOUNT:
✓ is convenient and safe
✓ gives you a receipt
✓ saves time
The Full-Service Bank
Smithville, U.S.A.
American Express Company
CASHIER'S CHECK
49
THE UNITED STATES OF AMERICA

Checks Show . . .



Transparency Master #3
Banking

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Special Checks include:

Transparency Master #4
Banking

ENDORSEMENTS

Blank

Happ Hazzard

Restrictive

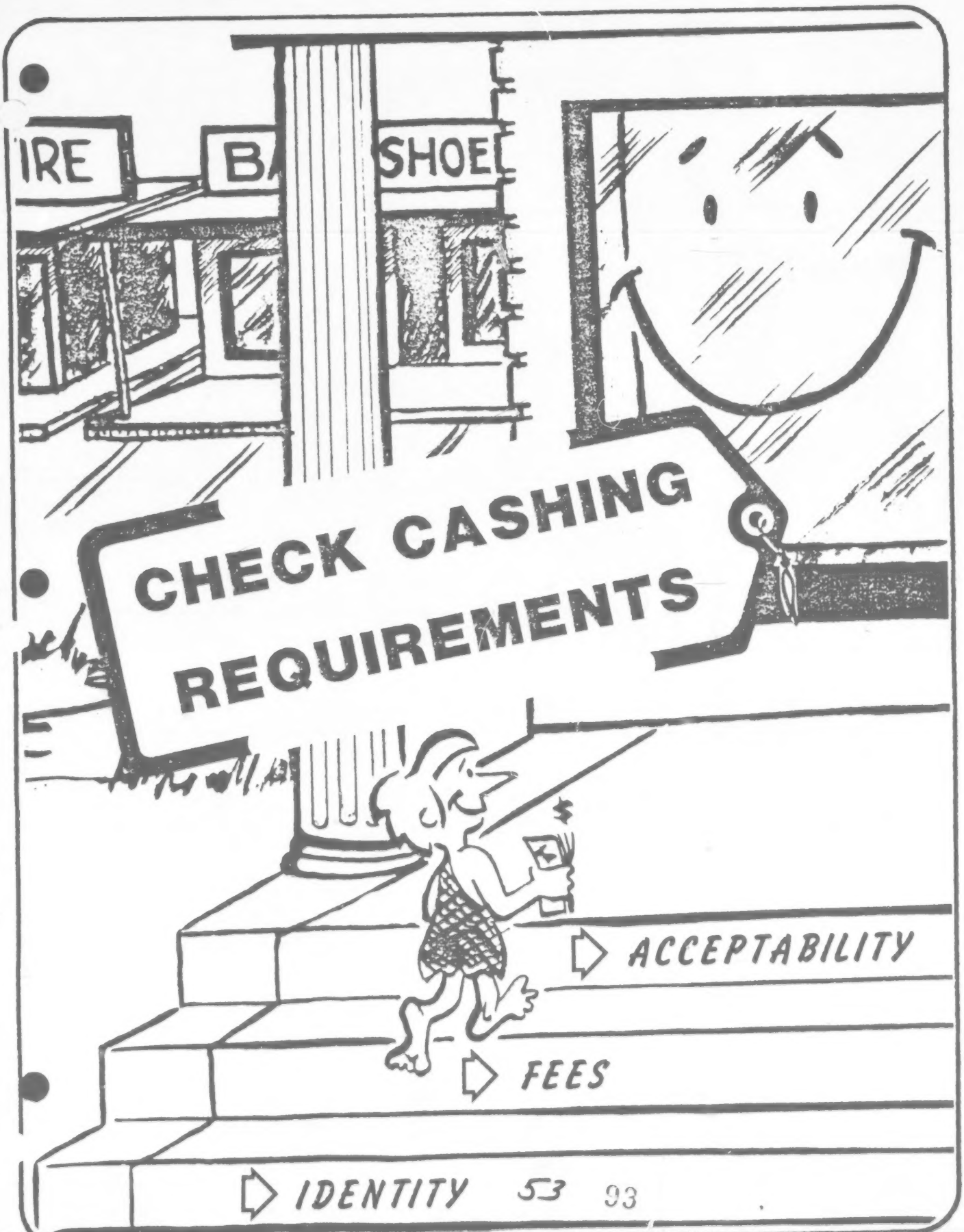
For deposit only
Happ Hazzard

Full

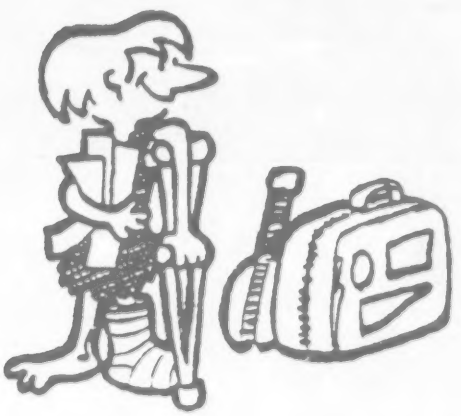
Pay to the order of
Sue Z. Cue
Happ Hazzard

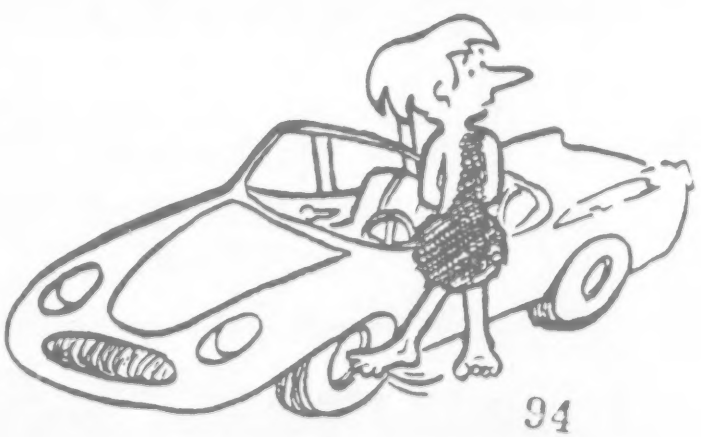
Misspelling

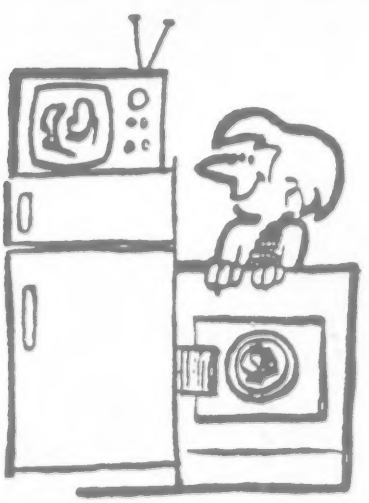
Hap Hazard
Happ Hazzard


IRE
B
SHOE
CHECK CASHING
REQUIREMENTS
ACCEPTABILITY
FEES
IDENTITY

WHY SAVE?







Transparency Master #7
Banking

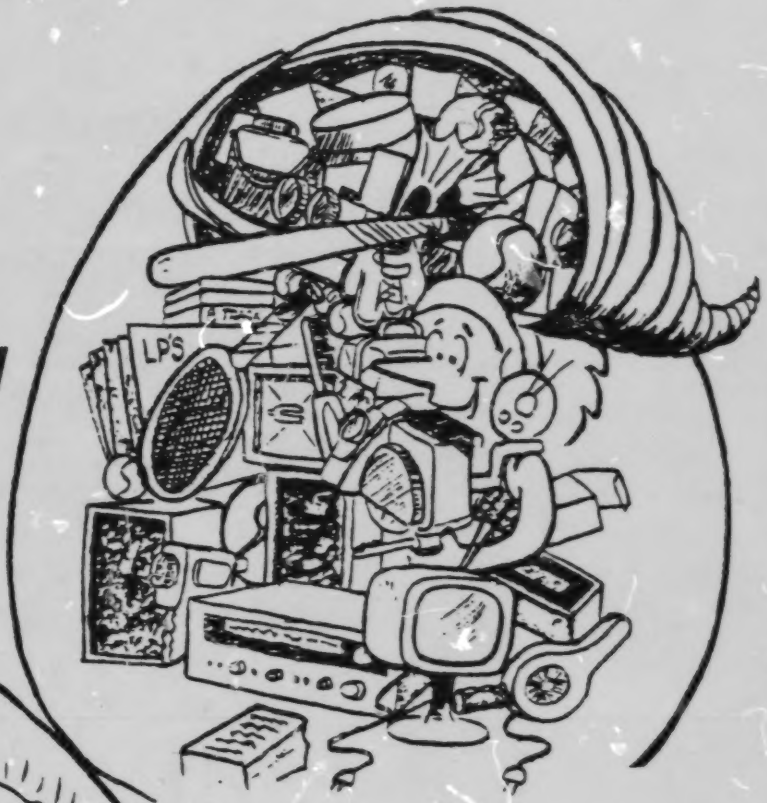
GOALS Vary By...

AGE

LIFE STYLE

Transparency Master #8
Banking

SAVINGS GOALS



are individual

and may change

56

$1000 FOR 1 YR. =

$50.94	$56.14	$61.36	$66.60	$71.85	$77.13
5%	5½%	6%	6½%	7%	7½%

INTEREST

57 97

Transparency Master #10
Banking

Answer Keys

CLASSROOM TEACHERS ARE AUTHORIZED TO REPRODUCE THIS ORIGINAL COPY FOR USE IN THEIR CLASSROOMS.

NAME _____

CLASS _____

DATE _____

You Can Bank On It!

1	Ⓐ Ⓑ Ⓒ ●	13	Ⓐ Ⓑ Ⓒ ●
2	● Ⓑ Ⓒ Ⓓ	14	Ⓐ ● Ⓒ Ⓓ
3	Ⓐ ● Ⓒ Ⓓ	15	● Ⓑ Ⓒ Ⓓ
4	Ⓐ Ⓑ ● Ⓓ	16	Ⓐ Ⓑ Ⓒ ●
5	Ⓐ Ⓑ Ⓒ ●	17	Ⓐ Ⓑ Ⓒ ●
6	Ⓐ Ⓑ Ⓒ ●	18	● Ⓑ Ⓒ Ⓓ
7	Ⓐ Ⓑ ● Ⓓ	19	Ⓐ Ⓑ Ⓒ ●
8	● Ⓑ Ⓒ Ⓓ	20	● Ⓑ Ⓒ Ⓓ
9	Ⓐ Ⓑ ● Ⓓ	21	Ⓐ Ⓑ Ⓒ ●
10	● Ⓑ Ⓒ Ⓓ	22	● Ⓑ Ⓒ Ⓓ
11	Ⓐ ● Ⓒ Ⓓ	23	Ⓐ ● Ⓒ Ⓓ
12	Ⓐ ● Ⓒ Ⓓ	24	Ⓐ Ⓑ ● Ⓓ

:1234-5678:

YOU CAN BANK ON IT!

YOU CAN BANK ON IT! CONTAINS 68 PASSWORDS.
30 OF THESE PASSWORDS ARE LISTED BELOW.
USE THEM IN COMPLETING THE FOLLOWING EXERCISES.

Balance	*Endorsement in blank*	*Personal check*
Bank	*Endorsement in full*	*Post-date*
Bank statement	*FDIC*	*Quarterly*
Certified check	*FSLIC*	*Reconcile/balance*
Check	*Goals*	*Savings account*
Checkbook register	*Interest*	*Savings & loan*
Collateral	*Joint account*	*Service charge*
Credit union	*NCUA*	*Signature*
Deposit	*Outstanding check*	*Signature card*
Endorsement	*Payee*	*Traveler's checks*

A written order to the bank to draw funds from a deposit account, payable on demand — CHECK

A check drawn on the account of an individual or individuals — PERSONAL CHECK

A bank-guaranteed regular personal check — CERTIFIED CHECK

A check that has been written, but not cashed and cleared — OUTSTANDING CHECK

Checks purchased in amounts of $10, $20, $50, $100 or more; used when ordinary identification is difficult — TRAVELER'S CHECKS

One's name signed on the back of a check — ENDORSEMENT

"Pay to the order of" endorsement — ENDORSEMENT IN FULL

The payee's signature only on the endorsing end of a check — ENDORSEMENT IN BLANK

100 60

A statement of the bank's record of transactions in an account — BANK STATEMENT

A checking account record kept of deposits, checks written and current balances — CHECKBOOK REGISTER

Money put in an account — DEPOSIT

The name of the person or organization to whom money is to be paid by check — PAYEE

The method of adjusting personal records and bank statement figures — RECONCILE/BALANCE

Insurer of deposits in credit unions — NCUA

Insurer of deposits in savings and loan institutions — FSLIC

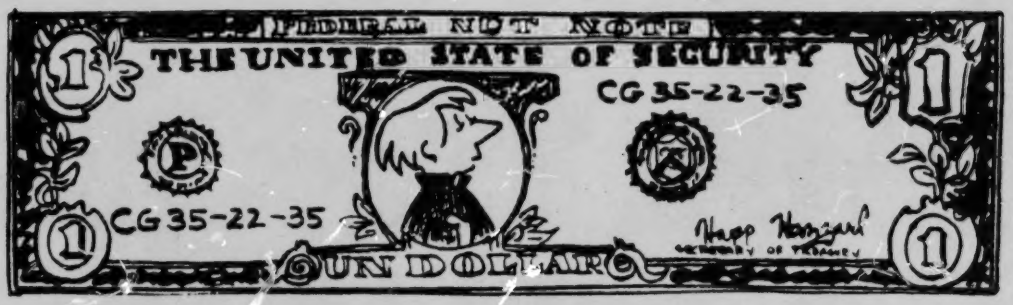
Insurer of deposits in commercial banks — FDIC

Something of value pledged as security for a loan — COLLATERAL

To date a check for future use — POST-DATE

An account in which money is deposited and on which interest is paid — SAVINGS ACCOUNT

Fee charged by a bank for maintaining a a checking account — SERVICE CHARGE



MONEY is what banking is all about. Think about your attitudes toward MONEY (Dollars & Cents).

Rank order the following uses of your money using "1" for the most important use of your money, through "6" for the least important use. Share your choices with your class if you wish.

ANSWERS WILL VARY

____ SAVE Money

____ SPEND Money

____ HOARD Money

____ BORROW Money

____ INVEST Money

____ GIVE Money

Rank order the following quotations about MONEY in order of your preference (#1 through #8).
Discuss the reasons for your ordering with your class if you wish.

ANSWERS WILL VARY

____ *"To have enough is good luck, to have more than enough is harmful."*

____ *"The love of money is the root of all evil."*

____ *"As a general rule, nobody has money who ought to have it."*

____ *"I cannot afford to waste my time making money."*

____ *"The lack of money is the root of all evil."*

____ *"Time is money."*

____ *"The safest way to double your money is to fold it over once and put it in your pocket."*

____ *"Young people imagine that money is everything, and when they grow older, they know it."*

Try another set of statements about money. Indicate whether you agree or disagree with each. Then discuss--if you wish--the reasons for your position.

ANSWERS WILL VARY

A D "MONEY TALKS IN LIFE."

A D "THE BEST THINGS IN LIFE ARE FREE."

A D "A PENNY SAVED, IS A PENNY EARNED."

A D "RICH OR POOR, IT'S GOOD TO HAVE MONEY."

A D "MONEY ANSWERETH ALL THINGS."

A D "A FOOL AND HIS MONEY ARE SOON PARTED."

A D "THE KINDEST MONEY PUTS FOOD IN THE MOUTHS OF THE NEEDY."

A D "MONEY MAKES THE PERSON."

A D "PUT YOUR TRUST IN MONEY . . ."

A D "MONEY IN THE POCKET IS MORE THAN MONEY IN THE BANK."

Very early in life children learn about MONEY. We develop attitudes about what money is, what it is good for, and what it is not good for. Reflect upon what you have learned:

KNOWLEDGE (WHAT I HAVE LEARNED ABOUT MONEY FROM OTHERS):

ANSWERS WILL VARY

EXPERIENCE (WHAT I HAVE LEARNED ABOUT MONEY FOR MYSELF):

ANSWERS WILL VARY

VALUES (WHAT I THINK MONEY IS GOOD FOR--AND BAD FOR):

GOOD BAD

ANSWERS WILL VARY

FEELINGS (WHAT EMOTIONS I HAVE IN RESPONSE TO MONEY):

ANSWERS WILL VARY

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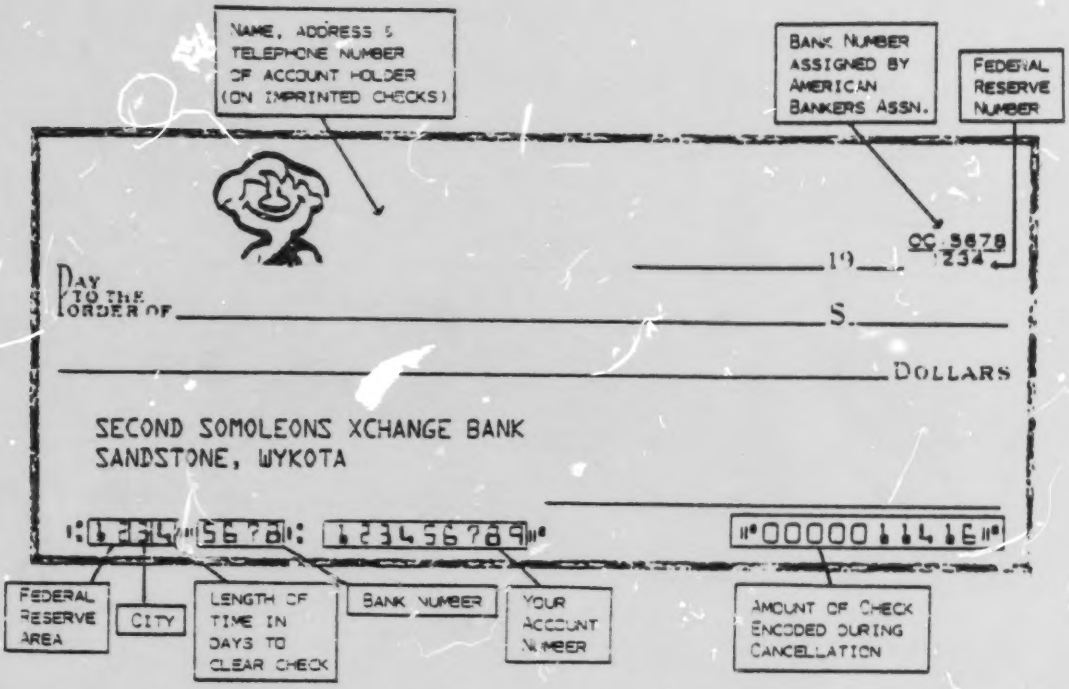
Ever wonder what all those odd-looking numbers on a check mean? Study the labels on the sample check below:


NAME, ADDRESS & TELEPHONE NUMBER OF ACCOUNT HOLDER (ON IMPRINTED CHECKS)
BANK NUMBER ASSIGNED BY AMERICAN BANKERS ASSN.
FEDERAL RESERVE NUMBER
PAY TO THE ORDER OF
DOLLARS
SECOND SOMOLEONS XCHANGE BANK
SANDSTONE, WYKOTA
FEDERAL RESERVE AREA
CITY
LENGTH OF TIME IN DAYS TO CLEAR CHECK
BANK NUMBER
YOUR ACCOUNT NUMBER
AMOUNT OF CHECK ENCODED DURING CANCELLATION

The ABA (American Bankers Association) and Federal Reserve numbers are used as a routing code to return checks to the proper bank.

Those odd numbers along the bottom of the check are Magnetic Ink Character Recognition (MICR) numbers. These numbers are used to aid in the processing of checks by computers.

Use these facts to locate the following items on the check illustrated above:

1. The bank number — 5678
2. The length of time it takes for a check to clear — 4
3. The number of the account — 123456789
4. The amount for which this check would have to be written — $114.16

WHAT ARE CHECKS?

1. Write the terms which match the following descriptions:

   a personal check "guaranteed" by the bank — CERTIFIED CHECK

   "money" purchased for use on vacations, etc. — TRAVELERS CHECK

   a "bank" check used to transfer bank funds from one bank to another — CASHIER'S CHECK

2. True or False: Travelers checks are worth more than personal checks. — F

3. Which type of check would best fit each of the following situations:

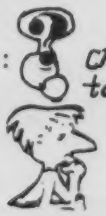
   send money for a cousin's birthday — PERSONAL CHECK

   take $200 on a vacation — TRAVELERS CHECK

   order a jacket by mail if you don't have a checking account — MONEY ORDER

4. A personal check stamped by the bank to show that you have enough money in your account to cover the check is a CERTIFIED check.

5. Discuss: *Checks and a personal checking account are the best way to manage money.*



ANSWERS WILL VARY

6	LESS CASH	the amount (if any) to be received in cash
7	TOTAL DEPOSIT	the total amount to be added to the account
8	CASH RECEIVED BY	signature of depositor (if part of the deposit was received in cash)

Exercises

Complete the following statements:

1. Two major reasons for opening a checking account are:

ANSWERS WILL VARY

2. Which 2 disadvantages of using a checking account do you consider the greatest disadvantages?

ANSWERS WILL VARY

3.

T	F	
X		Checks are safer than cash.
X		A cancelled check usually serves as proof of payment.
	X	Only checks may be deposited in a checking account.

4. A SIGNATURE CARD is necessary to verify the signature on all checks written by a depositor.

5. Checks, currency, and coins added to an account are called a DEPOSIT.

6. The DEPOSIT TICKET is the form used when adding money to an account.

7. It is necessary to SIGN a deposit ticket only when receiving cash.

8. "Currency" + "coins" = " CASH " on a deposit ticket.

9. The two items necessary to open a checking account are A SIGNATURE and MONEY.

10. Depositing the money collected from his paper route had always been a problem for Happ. Finally he worked out a table which made it easier. With the use of his table he could check each denomination in currency and coin as well as his addition to be sure he was correct before taking his deposit to the bank.

    Fill in Happ's table and then make the correct entries on his deposit ticket. Show that his total deposit amounted to $91.76 with the following items: 14 pennies, 2 dimes, 3 quarters, seven 1's, ten 5's, one 20 and check # 5142/1134 for $13.67. He did not receive any cash at the time he made the deposit.

	No.		Total
Pennies	14	x .01 =	$ .14
Nickels		x .05 =	.
Dimes	2	x .10 =	.20
Quarters	3	x .25 =	.75
1s	7	x 1 =	7.00
2s		x 2 =	.00
5s	10	x 5 =	50.00
10s		x 10 =	.00
20s	1	x 20 =	20.00

$ 1.09 Total Coins

$ 77.00 Total Currency

$ 78.09 Total Cash

	Amount
Checks	$ 13.67
	.
	.
	.
	.

$ 13.67 Total Checks

X 67107

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Happ Hazzard
66 Somoleon Street
Rockledge, Wykota

DATE: _____ 19 ____

CASH RECEIVED FROM _____

CASH		$ 78	09
CHECKS	5142	13	67
TOTAL FROM OTHER SIDE			
SUB-TOTAL		91	76
LESS CASH			
TOTAL DEPOSIT		91	76

Second Somoleons Xchange Bank
Sandston, Wykota

⑆1234=5678⑆ 901=2345=6#
CHECKING ACCOUNT DEPOSIT TICKET

Writing Checks

Check writing can be quite simple--just follow the TEN EASY STEPS TO PERFECT CHECK WRITING. The first steps are for your checkbook register, the second group for your check.

YOUR CHECKBOOK REGISTER: Record information in your checkbook register *BEFORE* writing your check. This insures accurate record-keeping and helps to prevent errors which may lead to difficulties such as an overdrawn account.

BE SURE TO DEDUCT ANY PER CHECK CHARGES OR MAINTENANCE CHARGES THAT MAY APPLY

DATE	CHECK NUMBER	CHECKS ISSUED TO OR DEPOSIT RECEIVED FROM	AMOUNT OF DEPOSIT	✓	AMOUNT OF CHECK	BALANCE
						55 55
2 31	1	Top Hat Rentals, Inc			12 33	43 22
①	②	③			④	⑤

When writing checks, record:

1 DATE of the check

2 NUMBER of the check

3 PAYEE

4 AMOUNT of the check

5 NEW BALANCE (previous balance minus amount of check)

Some checkbooks use stubs attached to each check instead of check registers:

$ 12.33
DATE 2/31 19__
TO Top Hat Rentals
FOR _____

	DOLLARS	CENTS
BAL. BRO'T FOR'D	55	55
AMT. DEPOSITED		
TOTAL	55	55
AMT. THIS CHECK	12	33
BAL CAR'D FOR'D	43	22

Exercises

Practice some of the skills necessary for depositing money and writing checks for a personal checking account:

Use the examples in this section and the sample forms on the next two pages to complete the following check writing activities for Happ's account:

a. Happ opened his checking account on January 4, 1901 with a deposit of $91.76 from his paper route.

b. On February 3 he wrote a check to cover his purchases at Stoney's Athletic Klub in the amount of $14.44.

c. The next day he deposited the two 10's and one 5 he received for his birthday.

d. He finally paid Fred Flinkstone the $10 he owed him on February 13.

e. Happ really splurged on February 13 when he and Sue Z. Cue dined at the Purple Peanut where Happ's check for $5.55 was accepted as payment.

(Be sure you have completed all necessary entries in the checkbook register and written the necessary checks properly.)

What is Happ's current balance? $ 86.77

a.

Happ Hazzard
66 Somoleon Street
Rockledge, Wykota

DATE: January 4 19 01

CASH RECEIVED BY: _____

CASH	91	76
CHECKS		
TOTAL FROM OTHER SIDE		
SUB-TOTAL	91	76
LESS CASH		
TOTAL DEPOSIT	91	76

Second Somoleons Xchange Bank
Sandston, Wykota

⑆1234-5678⑆ 901-2345-6#
CHECKING ACCOUNT DEPOSIT TICKET

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b.

February 3 19 01 CC-5678 1234

PAY TO THE ORDER OF Stoney's Athletic Klub $ 14.44

Fourteen and 44/100---------- DOLLARS

Second Somoleons Xchange Bank
Sandstone, Wykota

Happ Hazzard

⑆1234-5678⑆ 123456789⑈

CHECK NO. 1 DATE February 3 19 01 $ 14.44	BALANCE FORWARDED	91	76
PAY TO Stoney's Athletic Klub	ADD DEPOSITS		
FOR	TOTAL	91	76
	DEPOSIT CHECK	14	44
CHECK NO. 2 DATE February 13 19 01 $ 10.00	NEW BALANCE	77	32
PAY TO Fred Flinkstone	ADD DEPOSITS	25	00
FOR debt	TOTAL	102	32
	DEDUCT CHECK	10	00
CHECK NO. 3 DATE February 13 19 01 $ 5.55	NEW BALANCE	92	32
PAY TO Purple Peanut	ADD DEPOSITS		
FOR dinner	TOTAL	92	32
	DEDUCT CHECK	5	55

c.

Happ Hazzard
66 Somoleon Street
Rockledge, Wykota

DATE February 4 19 01

CASH RECEIVED BY

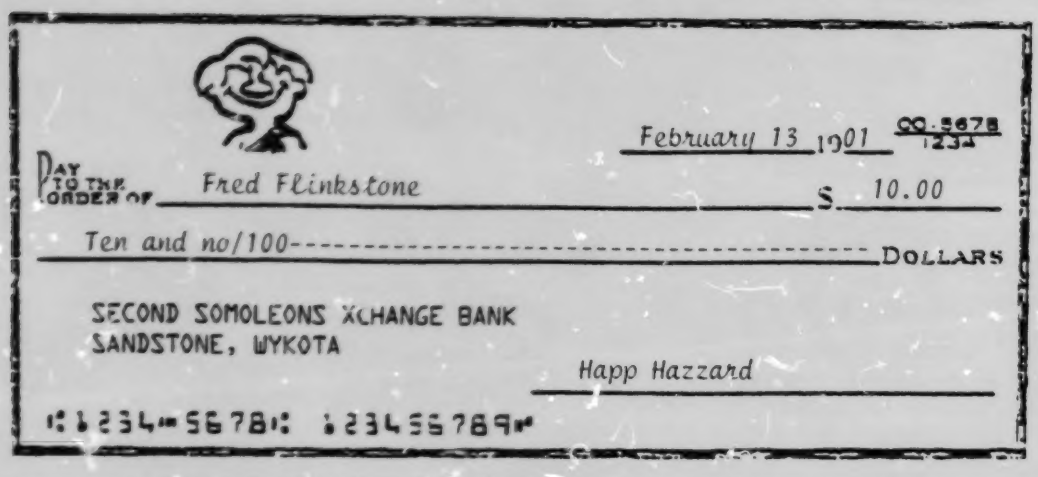
CASH	$ 25	00
CHECKS		
TOTAL FROM OTHER SIDE		
SUB-TOTAL	25	00
LESS CASH		
TOTAL DEPOSIT	25	00

SECOND SOMOLEONS XCHANGE BANK
SANDSTONE, WYKOTA

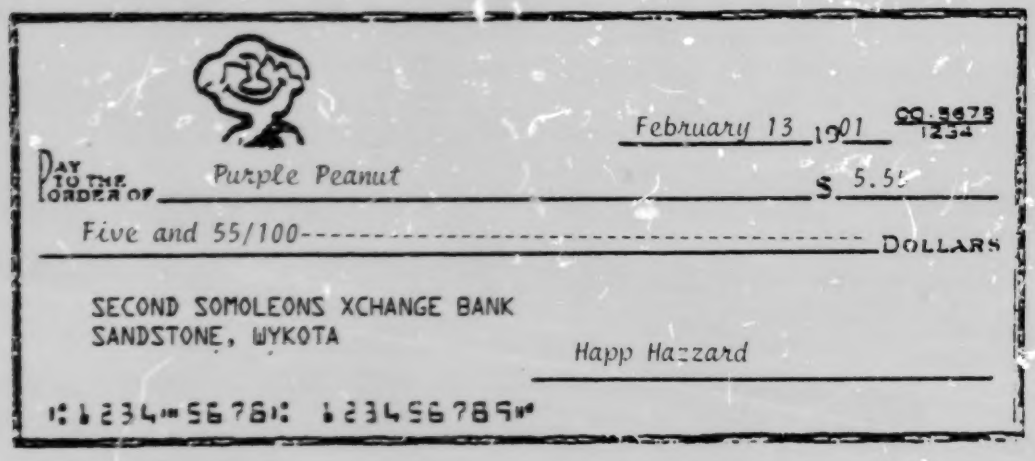
⑆1234-5678⑆ 901-2345-6⑈
CHECKING ACCOUNT DEPOSIT TICKET

x 70

d.



e.

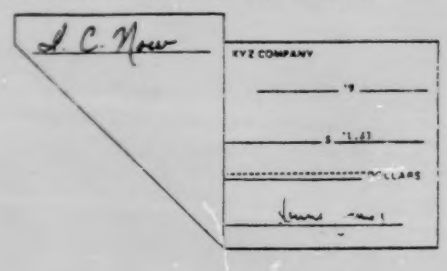


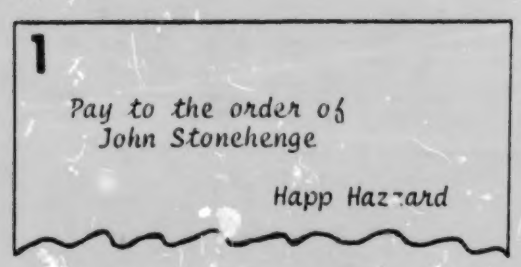
Check Endorsements

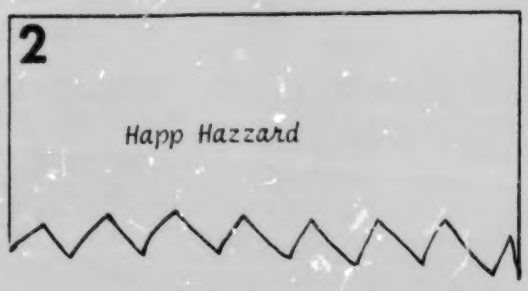
The writing on the back of a check which transfers ownership of the check is called an endorsement.

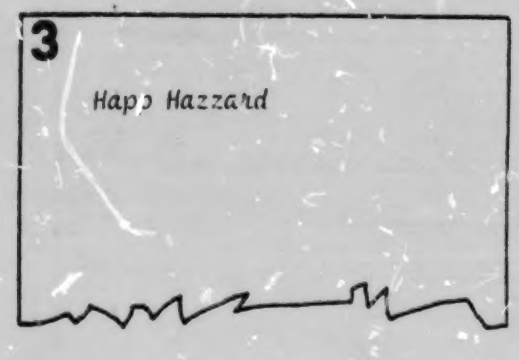
A check can mean cash, but to cash a check it must have an endorsement.

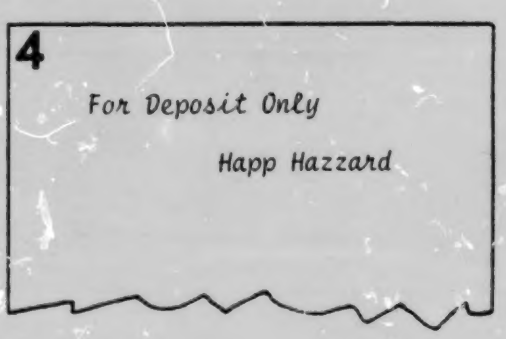
An endorsement is the signature of the payee written on the reverse side of a check across the "Pay to the order of" end of the check.

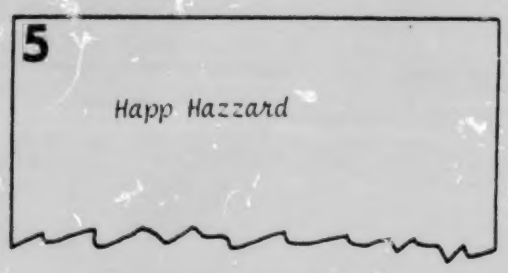












TRUE	FALSE	
____	X	A restrictive endorsement allows anyone to cash a check.
____	X	Blank endorsements are the safest endorsements to use.
____	X	An endorsement in blank is the safest to use when depositing a check by mail.

The situation may be one in which the person writing the check has decided against a purchase or payment, or perhaps a check has been lost or stolen.

The bank must be notified to refuse to pay the check.
This notice MUST be received in *WRITING*, but you may phone to notify the bank first.
The written stop payment request should include:

DATE the check was written

AMOUNT for which the check was written

PAYEE'S NAME

CHECK NUMBER

Most banks make a charge for this service.
In these situations as in other special situations a bank representative is available to give advice and assistance.

Indicate whether the following statements are True or False:

T	F		
____	X	1.	Checks are acceptable as cash anywhere.
____	X	2.	Fees are not usually charged for cashing checks.
X	____	3.	A check more than three months old may not be accepted for payment by a bank.
____	X	4.	The stop payment procedure may be completed by phone.
X	____	5.	Losing a check or checkbook may be the reason for stopping payment on a check.

USING A CHECKING ACCOUNT

Try this vocabulary review:

Read the statement in Column II. In the Answer Column, print the letter of the corresponding term found in Column I.

Column I

A. Bank
B. Bank statement
C. Cancelled check
D. Cashier's check
E. Checkbook
F. Check
G. Checking account
H. Check register
I. Co-signature account
J. Deposit
K. Deposit ticket
L. Drawer
M. Endorsement
N. Joint account
O. Outstanding check
P. Payee
Q. Post-dated
R. Service charge
S. Stop payment

Column II

1.	An order from a depositor instructing the bank to pay out money.	F
2.	Money which is placed in a bank account	J
3.	Book containing unused checks	E
4.	The depositor's permanent record of personal transactions	H
5.	Person to whom a check is written	P
6.	Dated later than the date of issuance	Q
7.	A bank report showing the condition of the checking account	B
8.	A check which has been paid by the bank	C
9.	A signature placed on the back of a check	M
10.	A charge made by the bank for checking account privileges	R
11.	Instructions to the bank to refuse payment of a check	S
12.	An account on which two (or more) persons write checks.	N

Each statement or example below contains an error for USING YOUR CHECKING ACCOUNT. Find the error and show how to correct it.

13. Record the proper information in the checkbook register or check stub ~~after~~ BEFORE writing each check.

14. Write each check legibly, using ~~either~~ ink ~~or pencil~~ ONLY

15. A check written for $17.89 would be spelled out in words: "Seventeen dollars and 89 cents"
SEVENTEEN AND 89/100----------

16. A check made out to Sue Z. Cue can be endorsed ~~"Sue Z. Cue"~~ "FOR DEPOSIT ONLY SUE Z. CUE" and mailed to her bank for deposit to her account because no one else can cash that check.

17. Happ took his paycheck to the bank on payday and endorsed it, ~~"Pay to the order of Second Somoleons Xchange Bank -- Happ Hazzard"~~. "HAPP HAZZARD".

18. Pre-printed checks DO NOT provide the necessary identity for cashing personal checks anywhere in the United States.

19. The procedure for stopping payment on a check ~~is as simple as~~ MAY BEGIN WITH a phone call to the bank, BUT MUST ALSO BE GIVEN IN WRITTEN FORM.

20. Checks written for a joint account ~~must~~ MAY be signed by ~~both~~ EITHER persons who opened the account.

Checking Account Statement

Acct 190-12566
Date 10/1/--
Page 1

SECOND SOMOLEONS XCHANGE BANK
SANDSTONE, WYKOTA

Happ Hazzard
66 Scroleen Street
Rockledge, Wykota

1 BALANCE FORWARD	NO. OF CHECKS	TOTAL CHECK AMOUNT	NO. OF DEP	TOTAL DEPOSIT AMOUNT	SERVICE CHARGE	BALANCE THIS STATEMENT 6
0100	4	53.23	1	210.00	.50	156.27

CHECKS AND OTHER DEBITS		DEPOSITS AND OTHER CREDITS	DATE	BALANCE
		3 210.00	9/05	210.00
01	12.00		9/12	198.00
02	11.36 2		9/14	186.64
03	25.00	4	9/15 5	161.64
04	4.25		9/22	156.77
	SOSC		9/30	156.27

PLEASE EXAMINE AT ONCE.
IF NO ERRORS ARE REPORTED WITHIN 10 DAYS THE ACCOUNT WILL BE CONSIDERED CORRECT
PLEASE ADVISE US IN WRITING OF ANY CHANGE IN YOUR ADDRESS

KEY TO SYMBOLS
AD AUTOMATIC DEPOSIT
AP AUTOMATIC PAYMENT
AR AUTOMATIC REVERSAL
CB CHARGE BACK
CC CERTIFIED CHECK
CM CREDIT MEMO
CO CHARGE OFF
DM DEBIT MEMO
EC ERROR CORRECTED
OD OVERDRAWN
RC RETURN CHECK CHG
RT RETURN ITEM
SC SERVICE CHARGE

Study Happ's statement and supply the following figures:

1. Happ's balance at the beginning of the month — -0-
2. Happ's total deposits for the month — $210.00
3. The amount of the largest check Happ wrote — 25.00
   The amount of the smallest check Happ wrote — 4.25
4. The date Happ made his deposit — SEPTEMBER 5
5. The balance in Happ's account on the first — $156.27
6. The service charge — .50
7. Happ's account number — 190-12566
8. The day of the month the bank used as its cut-off date — SEPTEMBER 30
9. The number of checks Happ had cleared by the bank during the month — 4
10. The smallest amount Happ had in his account during the month — $156.27

Happ received his monthly statement from the Second Somoleons Exchange Bank which showed a balance of $309.58. His checkbook balance was only $40.50.

Happ arranged his cancelled checks by number and checked them off in his check register, then noted the following facts:

The bank service charge was $2.50.
He had made a $35.75 deposit that was not shown on his statement.
A $200 automatic deposit had not been recorded in his check register although it appeared on his statement.
Checks #146 for $10, #150 for $3.33, and #152 for $94 were outstanding.

Balance Happ's account by using the form below:

_____, 19___

THIS FORM WILL HELP YOU BALANCE YOUR BANK STATEMENT

CHECKS OUTSTANDING
(Written but not shown on statement)

Check Number	Amount	
146	10	00
150	3	33
152	94	00
Total	107	33

BANK BALANCE *(Shown on this statement)*	→ $	309.58
ADD +		
DEPOSITS MADE *(But not shown on this statement)*	→ $	35.75
TOTAL	→ $	345.33
SUBTRACT -		
CHECKS OUTSTANDING	→ $	107.33
BALANCE	→ $	238.00*

(Should agree with checkbook after subtracting any charges shown on this statement)

* Happ needed to add $200 automatic deposit to his checkbook balance and deduct $2.50 service charge. ($40.50 + $200.00 - $2.50 = $238.00)

THE BALANCING ACT

Use the correct term to complete each of the following statements:

1. Checks paid by the bank from your account and returned to you are called CANCELLED checks.

2. Checks you have written but that do not show as paid on your bank statement are called OUTSTANDING checks.

3. The total of outstanding checks should be DEDUCTED (OR SUBTRACTED) from the balance shown on the BANK STATEMENT.

4. Service charges should be DEDUCTED (SUBTRACTED) from the balance shown in your CHECKBOOK REGISTER.

5. Complete the following:

Balance in Checkbook	$323.05	
Service Charges	2.25	
Adjusted (correct Checkbook Balance	$320.80	
Balance per Bank Statement		$389.54
Checks Outstanding:		
# 8	$10.85	
# 9	15.04	
#12	25.00	
15	17.85	
Total Checks Outstanding		$ 68.74
Available Bank Balance		$ 320.80

6. True or False: A cancelled check is more valuable as a receipt than a check stub TRUE

7. Write the correct word on the blank following each statement:

   A check which has been paid by the bank and returned to the person who wrote it is called a CANCELLED CHECK

   A charge made by the bank for checking account privileges is called a SERVICE CHARGE

8. Circle the term in each statement to make the statement true:

   A service charge should be (added to, subtracted from) the checkbook balance when balancing your checkbook.

   Outstanding checks should be (added to, subtracted from) the bank statement balance when balancing your checkbook or reconciling your account.

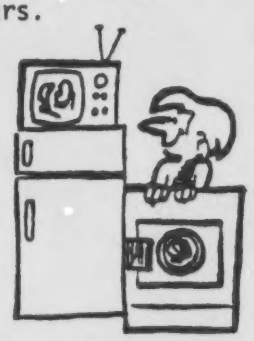
   A deposit recorded in your checkbook but not appearing on your bank statement should be added to the balance in your (checkbook, bank statement).

9. On March 1 the checkbook balance of the E. Z. Buck Corporation was $1862. What was the balance in the corporation's account if there was an outstanding check in the amount of $75? $1787

10. On April 1 Ms. Happ received her bank statement which reported a balance of $9203.45. The following checks were outstanding: #321, $84; #340, $93.17; #346, $86.50; #360, $119.27; #375, $165. She also discovered that she had entered a check written in the amount of $63.65 as $36.65 on her check stub. The bank had charged a $1.15 service charge which she had not entered in her checkbook. Reconcile her checkbook balance of $8683.66 with the bank statement balance. $8655.51

Exercises

One important use of savings is to purchase appliances. Try the following situation to learn how a savings plan can save your credit dollars.



MR. & MRS. WISEACRE PLAN TO BUY A DRYER AS THEIR NEXT LARGE PURCHASE. THE DRYER HAS A CASH PRICE OF $260. THEY HAVE THREE CHOICES:

1. Buy the dryer on the installment plan, paying $20 a month for 15 months.

Total installment payments	$ 300
Less cash price of the dryer	260
Equals credit cost	$ 40

2. Put $20 a month into a savings account for six months, then make a down payment of $120 and pay the remainder on the installment plan at $20 a month for eight months.

Total installment payments	$ 160
Less balance due on dryer	140
Equals credit cost	$ 20

How many dollars would the Wiseacres save if they made a downpayment of $120 compared with making no down payment? $ 20

3. Put $20 a month into a savings account for 13 months and pay cash for the dryer.

Savings for 13 months $ 260.00

Cash payment	$ 260
Less cash price of the dryer	260
Equals credit cost	$ 0

How many dollars would they save if they accumulated $260 and paid cash compared to making no down payment (example 1)? $ 40

REMEMBER THAT SAVINGS DOLLARS NOT ONLY SAVE ON CREDIT COSTS, BUT EARN INTEREST AS WELL.

Exercises

1. *"EVEN IF ONE SAVES MONEY, WHY NOT JUST SAVE IT AT HOME IN THE MATTRESS OR IN A LITTLE TIN BOX BURIED IN THE BACK YARD?"*

How would you answer this question? ANSWERS WILL VARY

Discuss the question with a banker or savings and loan association officer in your community.

2. "IF I PUT MY MONEY IN A BANKING INSTITUTION, WHAT HAPPENS TO IT? HOW CAN MY MONEY BE SAFE IF THEY LEND IT TO OTHER PEOPLE TO USE? THEY COULD GO BROKE!"

How would you answer this question? ANSWERS WILL VARY

Discuss the question with a banker or credit union officer in your community.

3. "LOOK, BANKS AND CREDIT UNIONS ARE BUSINESSES, AREN'T THEY? THEY PROVIDE SERVICES AND MAKE A PROFIT. COULDN'T I MAKE MORE MONEY LENDING MY MONEY DIRECTLY TO PEOPLE WHO WANT TO BORROW SOME MONEY?"

How would you answer this question? ANSWERS WILL VARY

Discuss the question with a banker or credit union official in your community.

Many savers choose banks for their savings because:

Their money is safe
Deposits are easy to make
Small deposits are accepted
Their money earns interest for them

In choosing *WHICH* bank, it is important to investigate:

Whether all services you require are available at lower cost
The bank's financial stability
The bank's reputation
If there are competent and friendly personnel
Bank references and financial advice

It is also often recommended that persons place as much business as possible with one bank. In so doing a relationship is built with one bank--a positive factor in times when credit references are needed.

IS A SAVINGS ACCOUNT FOR ME?

Show whether the following statements are true or false:

T	F		
____	X	1.	Saving money is always easy.
X	____	2.	A good savings plan is based on short- and long-term goals.
X	____	3.	It is important to know how often banks pay interest.
____	X	4.	Government regulations require that all financial institutions offer the same interest rates on savings deposits.
____	X	5.	Credit union accounts are not insured.

Complete the following statements:

6. Reasons or purposes for saving are called GOALS.
7. A saver earns the most on his account when his interest is compounded and credited DAILY.
8. Your savings account can be used as COLLATERAL/SECURITY when borrowing from your bank.
9. Your ability to "stick to" savings plans is called COMMITMENT.
10. The amount of interest earned on a savings account depends on two factors:

RATE OF INTEREST and HOW OFTEN INTEREST IS CREDITED.

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SAVINGS ACCOUNT 9-001-2

SIGN HERE Happ Hazzard ☐

SIGN HERE ☐

ADDRESS 123 Easy Street Sandston, Wykota ZIP

DATE OPENED 1/7/01 DATE RECEIVED 1/7/01 PHONE NO. 123-4567

BUSINESS OR OCCUPATION PAPER DELIVERY

REFERENCE OR INTRODUCED BY

OTHER BANK ACCTS. FIRST DEPOSIT $89.28

FORMER RESIDENCE OPENED BY

SOCIAL SECURITY NUMBER 123-45-6789

CHECK NAME TO WHICH S.S. NO. APPLIES

SAVINGS DEPOSIT

Fun Bank

HAPP HAZZARD

NAME

ACCT. NO 9-001-2

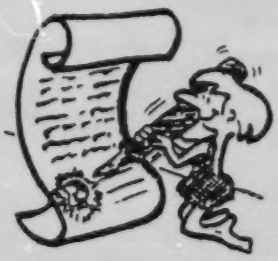
THIS RECEIPT NOT VALID WITHOUT BANK'S VALIDATION STAMP

DATE January 15 01

CURRENCY	25 00
CHECKS	
TOTAL $	25 00

ALL ITEMS ARE CREDITED AND HANDLED SUBJECT TO PROVISIONS OF SIGNATURE CARD CONTRACT AND RULES AND REGULATIONS RELATING TO SAVINGS ACCOUNTS

DATE	WITHDRAWALS	DEPOSITS OR INTEREST	BALANCE
1/7		89 28	89.28
1/15		25 00	114.28
2/4		10 00	124.28
3/6		5 00	129.28
4/13		43 00	172.28
7/3		5 17	177.45
8/12	50 00		127.45



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SAVINGS DEPOSIT

Fun Bank

NAME HAPP HAZZARD

ACCT NO 9-001-2

THIS RECEIPT NOT VALID WITHOUT BANK'S VALIDATION STAMP

DATE February 4, ____

CURRENCY	10	00
CHECKS		
TOTAL $	10	00

ALL ITEMS ARE CREDITED AND HANDLED SUBJECT TO PROVISIONS OF SIGNATURE CARD CONTRACT AND RULES AND REGULATIONS RELATING TO SAVINGS ACCOUNTS

SAVINGS DEPOSIT

Fun Bank

NAME HAPP HAZZARD

ACCT NO 9-001-2

THIS RECEIPT NOT VALID WITHOUT BANK'S VALIDATION STAMP

DATE March 6, ____

CURRENCY	5	00
CHECKS		
TOTAL $	5	00

ALL ITEMS ARE CREDITED AND HANDLED SUBJECT TO PROVISIONS OF SIGNATURE CARD CONTRACT AND RULES AND REGULATIONS RELATING TO SAVINGS ACCOUNTS

SAVINGS DEPOSIT

Fun Bank

NAME HAPP HAZZARD

ACCT NO 9-001-2

THIS RECEIPT NOT VALID WITHOUT BANK'S VALIDATION STAMP

DATE April 13, ____

CURRENCY	43	00
CHECKS		
TOTAL $	43	00

ALL ITEMS ARE CREDITED AND HANDLED SUBJECT TO PROVISIONS OF SIGNATURE CARD CONTRACT AND RULES AND REGULATIONS RELATING TO SAVINGS ACCOUNTS

SAVINGS WITHDRAWAL

Fun Bank

DATE August 12

NAME HAPP HAZZARD

ACCT NO 9-001-2

SIGN HERE Happ Hazzard

AMOUNT	
DOLLARS	CENTS
50	00

NON-NEGOTIABLE - PAYABLE TO NAMED DEPOSITOR ONLY. NOT VALID WITHOUT BANK'S VALIDATION STAMP

WITHDRAWALS SUBJECT TO RULES AND REGULATIONS RELATING TO SAVINGS ACCOUNTS

X 84

STUDENT PAL

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MONEY MANAGEMENT
BANKING

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SCAT Skills For Consumers Applied Today

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W E L C O M E to this PAL*, a consumer resource booklet. The two characters shown on this page are the Hazzards -- Ms. Happ and Happ Hazzard. You will find them in many of the illustrations used throughout this booklet.

Important information is divided into chapters or sections. Each section begins with a title page and includes:

P A S S W O R D S which give the special meanings for the words used in that section.

R E V I E W T I M E exercises to determine what you have learned.

Have fun, study hard, and become a conscientious consumer.

*PAL: Packaged Activities for Learning

Users of the consumer skills presented in this resource booklet come in both genders, female and male. The text and dialogues sometimes say "he," sometimes "she," sometimes "you," sometimes "the person." Please feel free to substitute the feminine for the masculine pronoun, and vice versa, any time it is appropriate to your situation.

What is a bank?

What does it have to offer me??

YOU CAN BANK ON IT

is about banks -- the places where consumers may deposit money and write checks; save money; borrow money, and receive a multitude of other money-matter services.

The two most popular personal types of service offered by the bank are the two types of personal accounts--the checking account and the savings account. The activities in this PAL -- YOU CAN BANK ON IT -- will help you to know about:

WHAT ARE CHECKS?

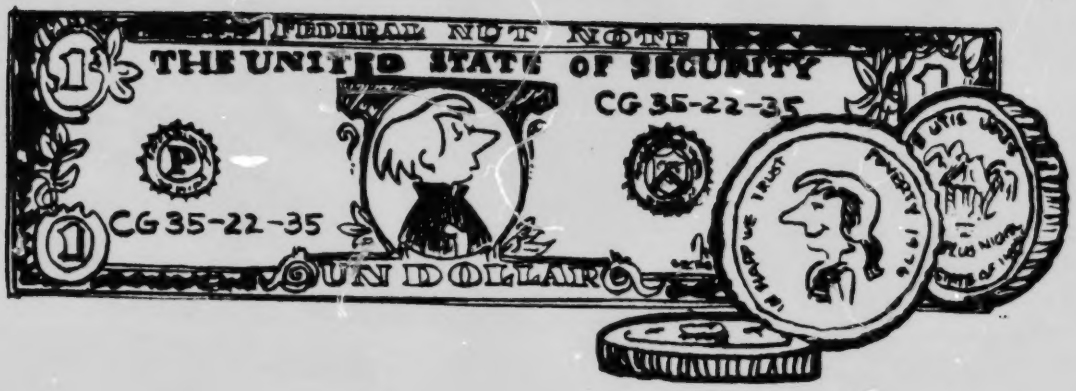
IS A CHECKING ACCOUNT FOR ME?

USING A CHECKING ACCOUNT

THE BALANCING ACT

IS A SAVINGS ACCOUNT FOR ME?

USING A SAVINGS ACCOUNT



MONEY is what banking is all about. Think about your attitudes toward MONEY (Dollars & Cents).

Rank order the following uses of your money using "1" for the most important use of your money, through "6" for the least important use. Share your choices with your class if you wish.

____ SAVE Money

____ SPEND Money

____ HOARD Money

____ BORROW Money

____ INVEST Money

____ GIVE Money

Rank order the following quotations about MONEY in order of your preference (#1 through #8).
Discuss the reasons for your ordering with your class if you wish.

____ *"To have enough is good luck, to have more than enough is harmful."*

____ *"The love of money is the root of all evil."*

____ *"As a general rule, nobody has money who ought to have it."*

____ *"I cannot afford to waste my time making money."*

____ *"The lack of money is the root of all evil."*

____ *"Time is money."*

____ *"The safest way to double your money is to fold it over once and put it in your pocket."*

____ *"Young people imagine that money is everything, and when they grow older, they know it."*

Try another set of statements about money. Indicate whether you agree or disagree with each. Then discuss--if you wish--the reasons for your position.

A D "MONEY TALKS IN LIFE."

A D "THE BEST THINGS IN LIFE ARE FREE."

A D "A PENNY SAVED, IS A PENNY EARNED."

A D "RICH OR POOR, IT'S GOOD TO HAVE MONEY."

A D "MONEY ANSWERETH ALL THINGS."

A D "A FOOL AND HIS MONEY ARE SOON PARTED."

A D "THE KINDEST MONEY PUTS FOOD IN THE MOUTHS OF THE NEEDY."

A D "MONEY MAKES THE PERSON."

A D "PUT YOUR TRUST IN MONEY . . ."

A D "MONEY IN THE POCKET IS MORE THAN MONEY IN THE BANK."

Very early in life children learn about MONEY. We develop attitudes about what money is, what it is good for, and what it is not good for. Reflect upon what you have learned:

KNOWLEDGE (WHAT I HAVE LEARNED ABOUT MONEY FROM OTHERS):

EXPERIENCE (WHAT I HAVE LEARNED ABOUT MONEY FOR MYSELF):

VALUES (WHAT I THINK MONEY IS GOOD FOR--AND BAD FOR):

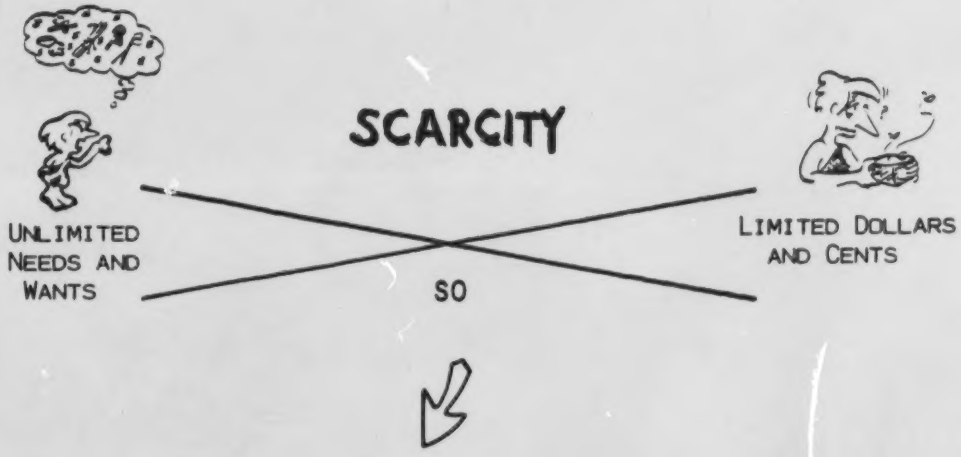
GOOD BAD

FEELINGS (WHAT EMOTIONS I HAVE IN RESPONSE TO MONEY):

SCARCITY & BANKING

Before turning to the details of BANKING, let's think about the old problem of SCARCITY.

Scarcity is a problem because we have <u>unlimited</u> needs and wants, on the one hand, and <u>limited</u> dollars and cents, on the other.



WE HAVE TO SET PRIORITIES, USING SCARCE DOLLARS TO MEET OUR NEEDS AND AS MANY OF OUR WANTS AS ARE POSSIBLE.

MANY PERSONS USE CHECKING ACCOUNTS TO KEEP TRACT OF THEIR DOLLARS AND CENTS.

MANY PERSONS USE SAVINGS ACCOUNTS TO PUT ASIDE A LITTLE OF TODAY'S DOLLARS AND CENTS TO SPEND ON FUTURE NEEDS AND WANTS.

WHAT ARE CHECKS ?

passwords ...

WHAT ARE CHECKS ?

AUTOMATIC TRANSFER	*The regular transfer of a certain, specified amount from one account to another Examples are insurance premium drafts and loan payments*
BANK	*An establishment for receiving, keeping, and lending money*
BANK DRAFT	*A check drawn by a bank against funds deposited in another bank*
BANK MONEY ORDER	*Official draft or check sold to a customer for a fee*
CANCELLED/ CLEARED CHECK	*A check that has been cashed by the payee, returned to the bank upon which it was written and paid to an account*
CASHIER'S CHECK	*A check the bank draws on its own funds and signed by the cashier; also called a Treasurer's Check*
CERTIFIED CHECK	*A bank-guaranteed regular personal check*
CHECK	*A written order to the bank to draw funds from a deposit account, payable on demand*

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PERSONAL CHECK	A check drawn on the account of an individual or individuals
RECEIPT	A written record that a payment has been made
TRAVELERS CHECKS	Checks purchased in amounts of $10, $20, $50, $100 or more Used when ordinary identification is difficult

Ready to Move On ?

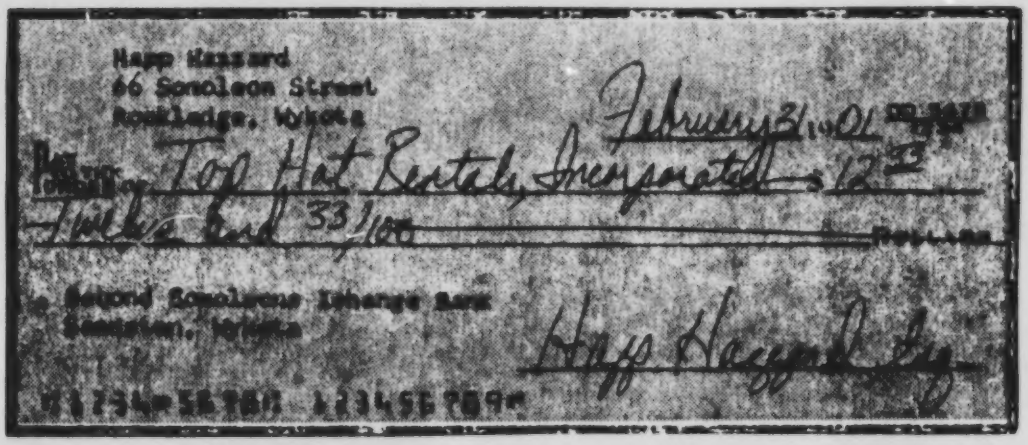
Do You Know the Passwords ?

THE STORY OF CHECKS

A check represents a dollar, ten dollars, a thousand dollars -- it's up to you. Your signature is your money.

Children often view checks as a form of magic: *"If you don't have the money, Mommy, just check it."*

It doesn't work quite like that. Let's look at a check:

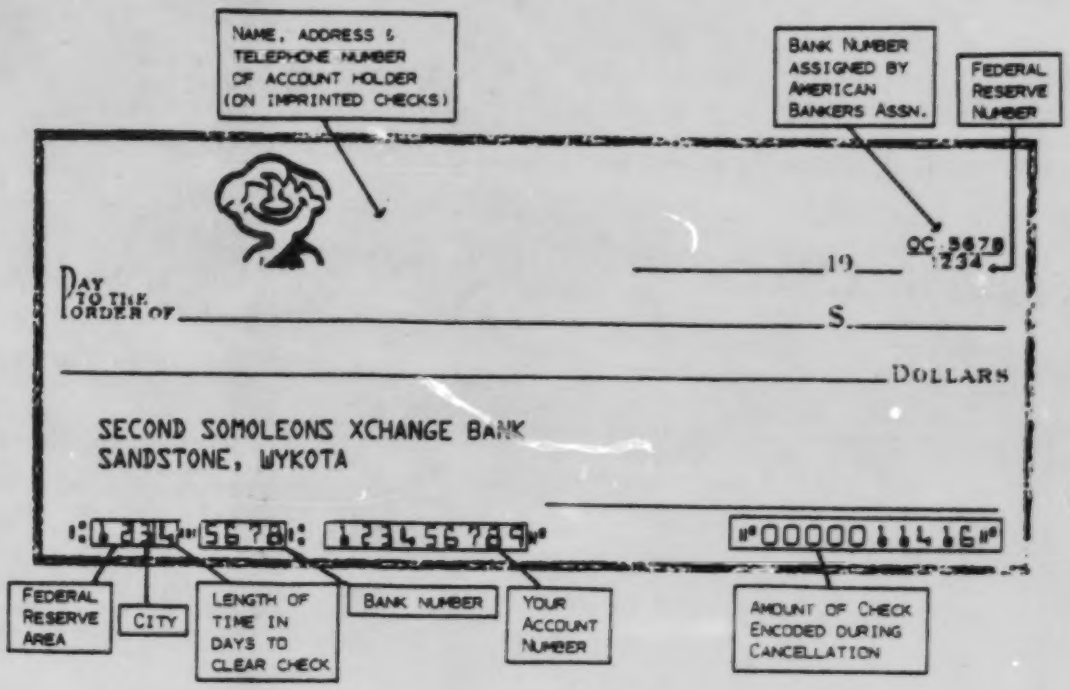


Happ's check for twelve dollars and thirty-three cents to Top Hat Rentals, Incorporated, shows that he wishes his bank to pay exactly that amount to Top Hat Rentals. It was not necessary for him to pay cash, and his cancelled check is his receipt for payment. Happ also has promised in the writing of this check that he has sufficient funds in his account to cover the check.

A check is your written order to your bank to pay an exact amount to the person or firm you name, provided you have that amount in your account.

CHECKS ARE USED TO TRANSFER MONEY
FROM ONE PERSON TO ANOTHER

Ever wonder what all those odd-looking numbers on a check mean? Study the labels on the sample check below:


NAME, ADDRESS & TELEPHONE NUMBER OF ACCOUNT HOLDER (ON IMPRINTED CHECKS)
BANK NUMBER ASSIGNED BY AMERICAN BANKERS ASSN.
FEDERAL RESERVE NUMBER
DAY TO THE ORDER OF
DOLLARS
SECOND SOMOLEONS XCHANGE BANK
SANDSTONE, WYKOTA
FEDERAL RESERVE AREA
CITY
LENGTH OF TIME IN DAYS TO CLEAR CHECK
BANK NUMBER
YOUR ACCOUNT NUMBER
AMOUNT OF CHECK ENCODED DURING CANCELLATION

The ABA (American Bankers Association) and Federal Reserve numbers are used as a routing code to return checks to the proper bank.

Those odd numbers along the bottom of the check are Magnetic Ink Character Recognition (MICR) numbers. These numbers are used to aid in the processing of checks by computers.

Use these facts to locate the following items on the check illustrated above:

1. The bank number _____
2. The length of time it takes for a check to clear _____
3. The number of the account _____
4. The amount for which this check would have to be written _____

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In addition to the two checks we have seen which were samples of personal checks, there are also

SPECIAL CHECKS

SPECIAL CHECKS are checks purchased from the bank to fit special circumstances. A special fee is charged for each of these special services.

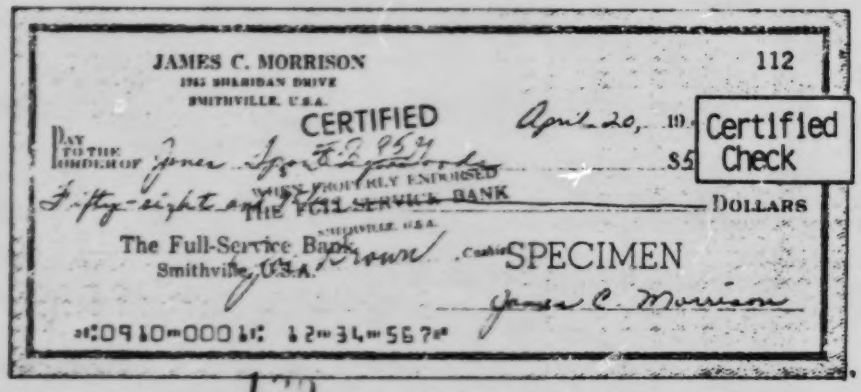
Let's look at four of the types of SPECIAL checks the modern consumer might use:

1. CASHIER'S CHECK

Also called a Treasurer's Check
A check which the bank draws on its own funds, and which is signed by the cashier
Charge: amount of check plus service fee

2. CERTIFIED CHECK

A bank-guaranteed regular personal check
The bank places a stamp on check "certifying" that amount has been withdrawn from account
Used for large purchases and in cases where identity may be difficult
Charge: small service fee



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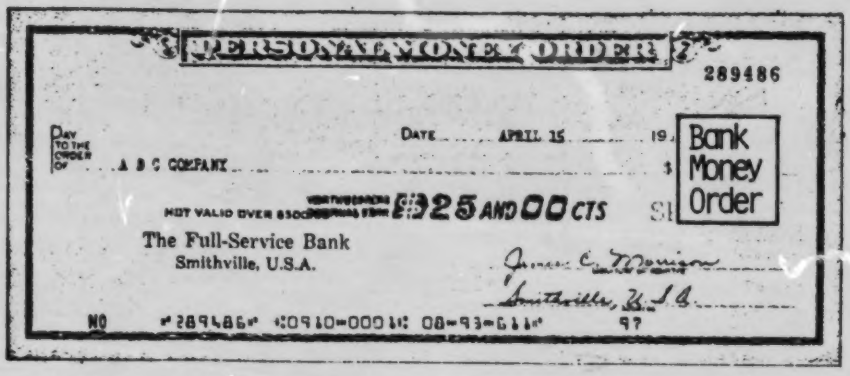
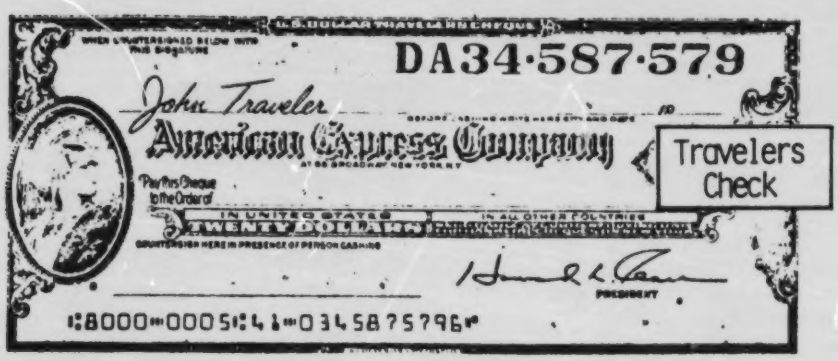
3. BANK MONEY ORDER

Official draft or check sold to a customer for a fee
Available in any denomination
Charge: amount of payment plus service fee



4. TRAVELERS CHECK

Checks purchased in amounts of $10, $20, $50, $100 or more
Available from several companies
Used when ordinary identification is difficult--purchaser signs each check at time of purchase & again when cashed to establish identity
A safeguard against forgery
Charge: total amount of checks plus fee for each check



NOTE THAT ONLY THE CERTIFIED CHECK IS THE PERSONAL CHECK OF A BANK CUSTOMER.
EACH OF THE OTHER CHECKS IS A PURCHASED BANK CHECK.

One additional type of check is the BANK DRAFT which banks use to transfer their own funds from one bank to another.

X 100

WHAT ARE CHECKS ?

1. Write the terms which match the following descriptions:

   a personal check "guaranteed" by the bank _____

   "money" purchased for use on vacations, etc. _____

   a "bank" check used to transfer bank funds from one bank to another _____

2. True or False: Travelers checks are worth more than personal checks. _____

3. Which type of check would best fit each of the following situations:

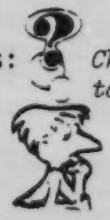
   send money for a cousin's birthday _____

   take $200 on a vacation _____

   order a jacket by mail if you don't have a checking account _____

4. A personal check stamped by the bank to show that you have enough money in your account to cover the check is a _____ check.

5. Discuss: *Checks and a personal checking account are the best way to manage money.*



102142

passwords ...

IS A CHECKING ACCOUNT FOR ME ?

CASHLESS SOCIETY	*An economy based on the transfer of money by computer and the exchange of paper receipts rather than the use of coins and currency*
CHECKING ACCOUNT	*A personal bank account which permits a depositor to write checks against the balance in his account*
CREDIT RATING FACTOR	*An item used in the evaluation of one's past credit record*
FDIC	*Federal Deposit Insurance Corporation Insurer of deposits in commercial banks*
IMPULSE BUYING	*Spur-of-the-moment purchasing*
RECEIPTS	*Written records of payments*

Ready to Move On ?

Do You Know the Passwords ?

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Checking Accounts ???

Checks have become more and more common as a means of paying for goods and services and as a means of transferring funds from one person to another. More than 24 billion checks are now written each year by individuals and businesses. When the Hazzards learned how many people used checking accounts they decided to review their own spending for the past six months and found the following significant expenditures:

Made monthly payment on house.
Paid state income tax.
Paid telephone bill at local office.
Bought automobile license.
Paid federal income tax.
Paid $125 for items ordered from a mail-order house.
Paid $14.95 for automobile repairs at a local garage.
Sent $100 to daughter attending college.

Some payments were made in person. Money orders were needed to make other payments. If the Hazzards had had a personal checking account these payments might have been easier. They also would have had receipts. They decided to look at both the pro and con sides of checking accounts.

Was a personal checking account right for the Hazzards? Is a checking account right for YOU? Let's look at some advantages and disadvantages of using checking accounts. Then you decide.

ADVANTAGES

PROTECTION Checks protect against loss.

CONVENIENCE Payments may be made by mail instead of in person.

RECEIPTS Cancelled checks are legal receipts.

SAVINGS Check writing is a check on impulse buying. It is more involved to write a check than to pay cash.

CREDIT A checking account is a positive credit rating factor.

ECONOMY It is more economical to use a checking account than to purchase special checks or money orders for making necessary payments.

These points are all so positive that one might be led to believe that there are no disadvantages to using a checking account.
There are a few, however:

DISADVANTAGES

IDENTIFICATION Identification is necessary when checks are used for purchases--usually a driver's license and one or two other forms of identification such as credit cards.

REFUSAL All businesses will not accept checks--we are not yet (and perhaps never will be) a cashless society.

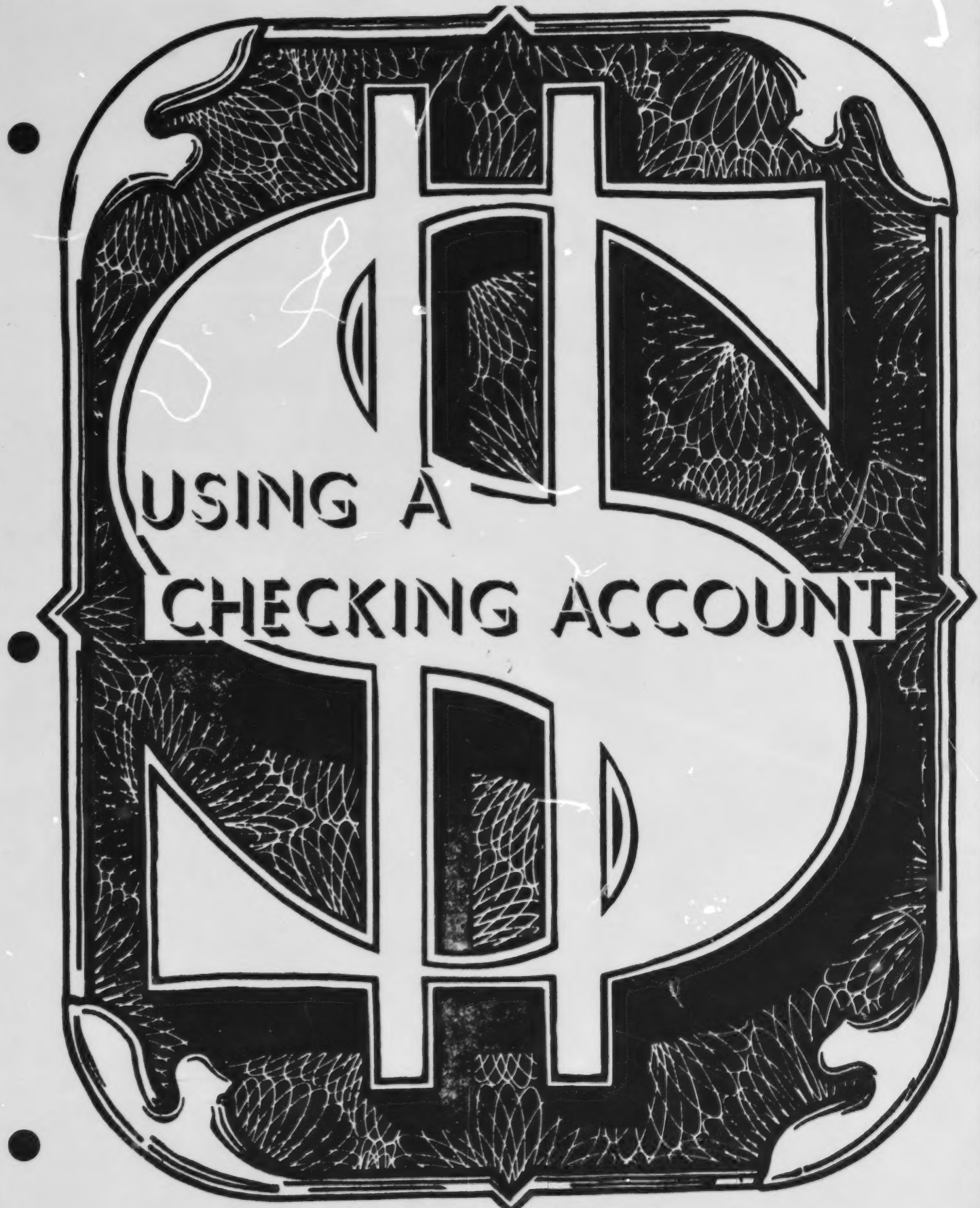
ADDITIONAL COST The maintaining of a checking account is not usually free.

OVERDRAFT It is possible for an account to be overdrawn by writing checks for more money than an account contains. Banks charge customers for these mistakes. Careful record-keeping is necessary.

In addition to the fact that checks protect against loss, the FDIC insures deposits up to $40,000. FDIC

IS A CHECKING ACCOUNT FOR YOU ? Only YOU can answer that question. For millions of Americans the benefits of convenience and protection are more important than the problems of identification and the fact that not all businesses in all areas will accept checks.

Do you know anyone who doesn't use a checking account?
What reasons do they offer?
What inconveniences might they suffer by not having such an account?
Are there any benefits of not having a checking account?
Share your answers with your class if you wish.


USING A
CHECKING ACCOUNT

passwords ...

USING A CHECKING ACCOUNT

AMOUNT	*The amount of money to be paid to the payee by the maker of a check*
BALANCE	*The amount of money available in an account*
CHECKBOOK REGISTER	*A checking account record kept of all deposits, checks written and current balances*
CLEARING HOUSE	*An organization, established by banks in the same area, through which checks and other instruments are exchanged and net balances settled*
COIN	*Penny, nickel, dime, quarter, half-dollar, or silver dollar*
CURRENCY	*Paper or "folding" money*
DEPOSIT	*Money put in an account; money used to open an account*

DEPOSIT TICKET	*Bank form used for depositing money in an account*
ENDORSEMENT	*One's name signed on the back of a check*
ENDORSEMENT IN BLANK	*The payee's signature only on the endorsing end of a check*
ENDORSEMENT IN FULL	*Endorsement stating, "Pay to the order of", used when the payee wishes to give the check to someone else*
JOINT ACCOUNTS	*Checking accounts for which either member may make deposits or write checks*
PAYEE	*The name of the person or organization to whom money is to be paid by check*
POST-DATE	*To date a check for a future date*
RESTRICTIVE ENDORSEMENT	*Endorsement stating, "For deposit only", restricting what can be done with the check*

SIGNATURE	*A person's name in the form used on legal documents--usually includes the first name, middle initial, and last name*
SIGNATURE CARD	*Bank card used to establish identity and signature recognition*
STUB	*A form of checkbook register on which the check is recorded*
VALID	*Having legal force*
VOID	*Not valid*

Ready to Move On ?

Do You Know the Passwords ?

There are many skills involved in USING A CHECKING ACCOUNT. In the next few sections we will see that they are all rather simple. You will have a chance to practice each of the skills involved in learning about the kinds of accounts available, how to open a personal checking account, how to write checks, the requirements for cashing a check, how to endorse checks, and how to stop payment on a check.

Finding a Bank

Banks are not hard to find. Most areas have many from which to choose. Finding the *best* bank for YOU means considering several important factors.

Be sure to investigate FDIC protection for your account, the types of accounts available, charges, convenience of location, banking hours, and quality of services offered. For most consumers, the single most important factor is convenience, but the careful consumer surveys all factors before deciding where to do his banking.

An excellent reference for new residents is Polk's *World Bank Directory*, available in most major public libraries. Brief financial histories of more than 14,000 commercial banks in the United States, locations of branch offices, the names of bank officers, and often major divisions and departments are listed.

Kinds of Accounts

Once you have decided on a bank (after careful comparison shopping) and decided a checking account is for you, the decision-making is not over. Which type of account is right for you?

Banks usually have "regular" and "special" checking accounts. These terms mean different things in different banks, however.

A good consumer will ask AMOUNT, CHECKS, and COSTS questions about bank checking accounts. These questions include:

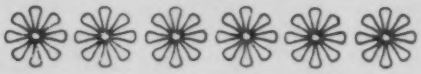
AMOUNT: *How much do I need to open an account?*
How much must I keep in my account?

CHECKS: *What types of checks and checkbooks are available?*

COSTS: *What charges are made for deposits and withdrawals?*
What amount is charged for service or maintenance of my account?

These basic questions apply whether you are considering a bank checking account or a bank savings account.

JOINT CHECKING ACCOUNTS are available for which both members of the partnership (husband-wife, etc.) sign signature cards. Either member may make deposits or write checks.



Automatic transfer of funds is a service often offered checking account customers. You may request that a certain amount be transferred to a Savings Account or that automatic payments be made on loans, utilities, etc.

Other types of special accounts are available to meet special needs. Think of different individuals and groups who use banking services. A school group, a newly married couple, a college student, a retired person, a service station operator, a car buyer, and a church all have special needs. Your banker can offer advice in all of these areas.

Opening Accounts

The mechanics of opening a personal checking account are a cinch.
Two elements are necessary--a signature and a little money.

1. SIGNATURE

   It will be necessary for you to sign a signature card like the one on the next page. The signature will become your official one and the only one honored on your checks. Proof of identity is required. Most banks require two good sources of identification. Be prepared.

SIGN HERE

SIGN HERE PHONE

ADDRESS ZIP

OTHER BANK ACCOUNTS

BUSINESS OR OCCUPATION

REFERENCES OR INTRODUCED BY

FIRST DEPOSIT $

DATE OPENED DATE RECEIVED OPENED BY

2. DEPOSIT

The money used to open an account and the money which is put into an account at any time is called a deposit.

A deposit ticket like the one illustrated here is used in making a DEPOSIT.

Happ Hazzard
66 Somoleon Street
Rockledge, Wykota

DATE: 1 19

CASH RECEIVED BY: 8

CASH 2		$	
CHECKS 3			
TOTAL FROM OTHER SIDE 4			
SUB-TOTAL 5			
LESS CASH 6			
TOTAL DEPOSIT 7			

DEPOSIT TICKET

PLEASE ITEMIZE ADDITIONAL CHECKS ON REVERSE SIDE

Second Somoleons Xchange Bank
Sandston, Wykota

⑆1234⑈5678⑆ 901⑈2345⑈6⑈
CHECKING ACCOUNT DEPOSIT TICKET

Items on a deposit ticket may include:

1	DATE	the date on which the deposit is made
2	CASH	the total amount deposited in both currency (paper money) and coins
3	CHECKS	the bank number and amount for each check deposited
4	TOTAL FROM OTHER SIDE	the total of any additional checks which have been listed on the back of the deposit ticket
5	SUB-TOTAL	the total of the cash and check items

~~85~~ 112

6	LESS CASH	the amount (if any) to be received in cash
7	TOTAL DEPOSIT	the total amount to be added to the account
8	CASH RECEIVED BY	signature of depositor (if part of the deposit was received in cash)

Exercises

Complete the following statements:

1. Two major reasons for opening a checking account are:

   _____

   _____

2. Which 2 disadvantages of using a checking account do you consider the greatest disadvantages?

   _____

   _____

3. T F

   ____ ____ Checks are safer than cash.

   ____ ____ A cancelled check usually serves as proof of payment.

   ____ ____ Only checks may be deposited in a checking account.

4. A _____ _____ is necessary to verify the signature on all checks written by a depositor.

5. Checks, currency, and coins added to an account are called a _____.

6. The _____ _____ is the form used when adding money to an account.

7. It is necessary to _____ a deposit ticket only when receiving cash.

8. "Currency" + "coins" = "_____" on a deposit ticket.

9. The two items necessary to open a checking account are _____ and _____.

10. Depositing the money collected from his paper route had always been a problem for Happ. Finally he worked out a table which made it easier. With the use of his table he could check each denomination in currency and coin as well as his addition to be sure he was correct before taking his deposit to the bank.

    Fill in Happ's table and then make the correct entries on his deposit ticket. Show that his total deposit amounted to $91.76 with the following items: 14 pennies, 2 dimes, 3 quarters, seven 1's, ten 5's, one 20 and check # 5142/1134 for $13.67. He did not receive any cash at the time he made the deposit.

	No.		Total
Pennies	_____	x .01 =	$.
Nickels	_____	x .05 =	.
Dimes	_____	x .10 =	.
Quarters	_____	x .25 =	.
1s	_____	x 1 =	.00
2s	_____	x 2 =	.00
5s	_____	x 5 =	.00
10s	_____	x 10 =	.00
20s	_____	x 20 =	.00

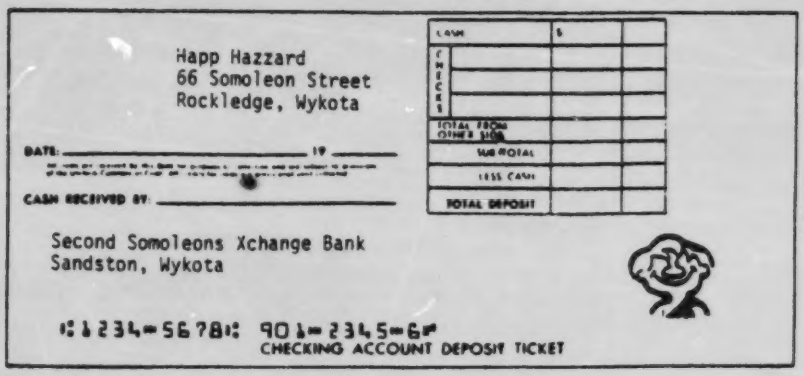
$. Total Coins

$. Total Currency

$. Total Cash

	Amount
Checks	$.
	.
	.
	.
	.

$. Total Checks



Writing Checks

Check writing can be quite simple--just follow the TEN EASY STEPS TO PERFECT CHECK WRITING. The first steps are for your checkbook register, the second group for your check.

YOUR CHECKBOOK REGISTER: Record information in your checkbook register *BEFORE* writing your check. This insures accurate record-keeping and helps to prevent errors which may lead to difficulties such as an overdrawn account.

BE SURE TO DEDUCT ANY PER CHECK CHARGES OR MAINTENANCE CHARGES THAT MAY APPLY

DATE	CHECK NUMBER	CHECKS ISSUED TO OR DEPOSIT RECEIVED FROM	AMOUNT OF DEPOSIT	✓	AMOUNT OF CHECK	BALANCE
						55 55
2 31	1	Top Hat Rentals, Inc.			12 33	43 22
(1)	(2)	(3)			(4)	(5)

When writing checks, record:

1 DATE of the check

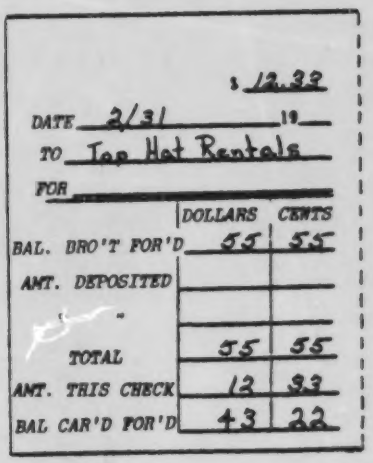
2 NUMBER of the check

3 PAYEE

4 AMOUNT of the check

5 NEW BALANCE (previous balance minus amount of check)

Some checkbooks use stubs attached to each check instead of check registers:



THE CHECK

When writing a check, use *INK* to:

6 DATE the check. Always date the check on the day you write it.

7 WRITE the name of the *PAYEE*--the person, business firm, or organization for whom payment is intended.

8 WRITE the name of the check in figures.

9 WRITE the amount of the check in words.
Write the amount of dollars in words and show cents as a fraction.
In the remaining space, draw a straight line.

10 SIGN your official signature--the same as on the signature card you signed to open your account.

Note the special numbers printed on the check. These numbers serve a special purpose in check processing. Some of these numbers are used in routing the check, others are used by the consumer.

Note the numbers following the date and those in the lower left-hand corner. The first two numbers above the line after the date indicate the state (63 is the state number for Florida). The next group of numbers above the line indicates the bank identification number. The number below the line shows the Federal Reserve clearing house number. It is not necessary for the consumer to use any of these numbers in banking transactions.

The numbers in the lower left-hand corner are numbers for consumer use. The first set of numbers gives the clearing house and individual bank number. These are the numbers used when filling out a deposit ticket. The last set of numbers gives the individual account number. Note the space between the two sets of numbers.

POINTS TO REMEMBER:

FOLLOW THESE SIMPLE RULES FOR WORRY-FREE CHECKING:

1. CHECKBOOK REGISTER FIRST
   - RECORD ALL INFORMATION IN YOUR CHECKBOOK REGISTER FIRST.
   - GOOD RECORD-KEEPING HELPS PREVENT ERRORS.

2. USE INK TO WRITE A CHECK
   - NEVER USE A PENCIL!!
   - INK IS MORE DIFFICULT TO ALTER THAN PENCIL.
   - IT IS POSSIBLE A BANK MAY REFUSE A CHECK WRITTEN IN PENCIL.

3. DATE YOUR CHECK PROPERLY
   - A CHECK MAY BE WRITTEN ON AND DATED ANY DAY OF THE YEAR.
   - SUNDAY AND HOLIDAY CHECKS ARE AS VALID AS ANY OTHER CHECKS.
   - IT IS UNWISE TO POST-DATE A CHECK. IF SUCH A CHECK SHOULD REACH A BANK PREVIOUS TO SUCH A DATE, THE BANK COULD REFUSE IT, OR IF THE ACCOUNT HAD INSUFFICIENT FUNDS, AN OVERDRAFT CHARGE COULD BE MADE.

4. NUMBER YOUR CHECK PROPERLY
   - USE CHECKS WHICH ARE PRE-PRINTED WITH NUMBERS, OR FILL IN THE CORRECT NUMBER.
   - NUMBERING AND RECORDING THE NUMBERS OF CHECKS IS GOOD RECORD-KEEPING.

5. WRITE YOUR CHECK CAREFULLY
   - DON'T LEAVE SPACES BETWEEN THE PRINTED DOLLAR SIGN AND THE AMOUNT OR BETWEEN THE AMOUNT YOU SPELL OUT AND THE WORD "DOLLARS"--FILL IN SUCH SPACES WITH A LINE IF NECESSARY.
   - USE THE FORM: "FIVE AND 75/100----------" WHEN YOU SPELL OUT THE AMOUNT. DO NOT WRITE THE WORD "DOLLARS" -- IT'S PRINTED ON THE CHECK. ONLY USE THE WORD "CENTS" WHEN THE CHECK IS FOR LESS THAN ONE DOLLAR.

6. IF YOU MAKE AN ERROR, WRITE A NEW CHECK
   - WRITE "VOID" ON BOTH THE INCORRECT CHECK AND THE CHECKBOOK REGISTER OR STUB.
   - NEVER ERASE OR SCRIBBLE OVER AN ERROR ON A CHECK.

7. MATCH YOUR AMOUNTS
   - IF THERE IS A QUESTION OR DIFFERENCE BETWEEN THE AMOUNTS WRITTEN ON A CHECK IN NUMERALS AND THE AMOUNT WRITTEN IN WORDS, THE BANK MAY EITHER REFUSE TO HONOR THE CHECK OR HONOR THE AMOUNT WRITTEN IN WORDS.

8. NEVER USE ANYONE ELSE'S CHECK
   - THE SPECIAL MAGNETIC CODE NUMBERS WILL CHARGE THE CHECK TO THE OWNER OF THE ACCOUNT.

9. NEGOTIATE OR USE A CHECK AS SOON AS POSSIBLE
   - A BANK MAY QUESTION THE DELAY IN USE OF A CHECK AFTER 90 DAYS.

Exercises

Practice some of the skills necessary for depositing money and writing checks for a personal checking account:

Use the examples in this section and the sample forms on the next two pages to complete the following check writing activities for Happ's account:

a. Happ opened his checking account on January 4, 1901 with a deposit of $91.76 from his paper route.

b. On February 3 he wrote a check to cover his purchases at Stoney's Athletic Klub in the amount of $14.44.

c. The next day he deposited the two 10's and one 5 he received for his birthday.

d. He finally paid Fred Flinkstone the $10 he owed him on February 13.

e. Happ really splurged on February 13 when he and Sue Z. Cue dined at the Purple Peanut where Happ's check for $5.55 was accepted as payment.

(Be sure you have completed all necessary entries in the checkbook register and written the necessary checks properly.)

What is Happ's current balance? $_____

Happ Hazzard
66 Somoleon Street
Rockledge, Wykota

DATE: _____ 19 ____

CASH RECEIVED BY: _____

CASH	$	
CHECKS		
TOTAL FROM OTHER SIDE		
SUB-TOTAL		
LESS CASH		
TOTAL DEPOSIT		

Second Somoleons Xchange Bank
Sandston, Wykota

⑆1234-5678⑆ 901-2345-6#
CHECKING ACCOUNT DEPOSIT TICKET

BEST COPY AVAILABLE

OC-9878
1234

_____ 19___

PAY TO THE ORDER OF _____ $_____

_____ DOLLARS

Second Somoleons Xchange Bank
Sandstone, Wykota

_____

⑆1234⑈5678⑆ 123456789⑈

CHECK NO._____ DATE_____ 19___ $_____	BALANCE FORWARDED		
PAY TO_____	ADD DEPOSITS		
FOR_____	TOTAL		
	DEDUCT CHECK		
CHECK NO._____ DATE_____ 19___ $_____	NEW BALANCE		
PAY TO_____	ADD DEPOSITS		
FOR_____	TOTAL		
	DEDUCT CHECK		
CHECK NO._____ DATE_____ 19___ $_____	NEW BALANCE		
PAY TO_____	ADD DEPOSITS		
FOR_____	TOTAL		
	DEDUCT CHECK		

Happ Hazzard
66 Somoleon Street
Rockledge, Wykota

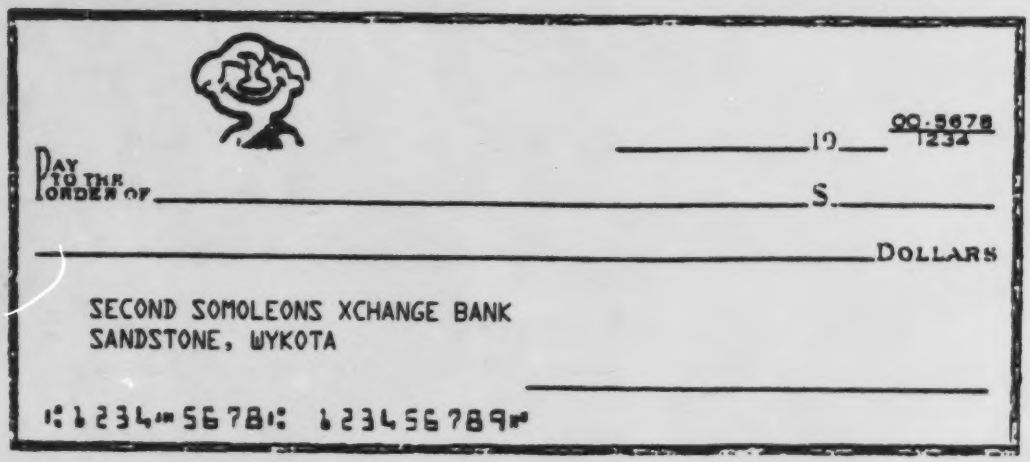
DATE: _____ 19 _____

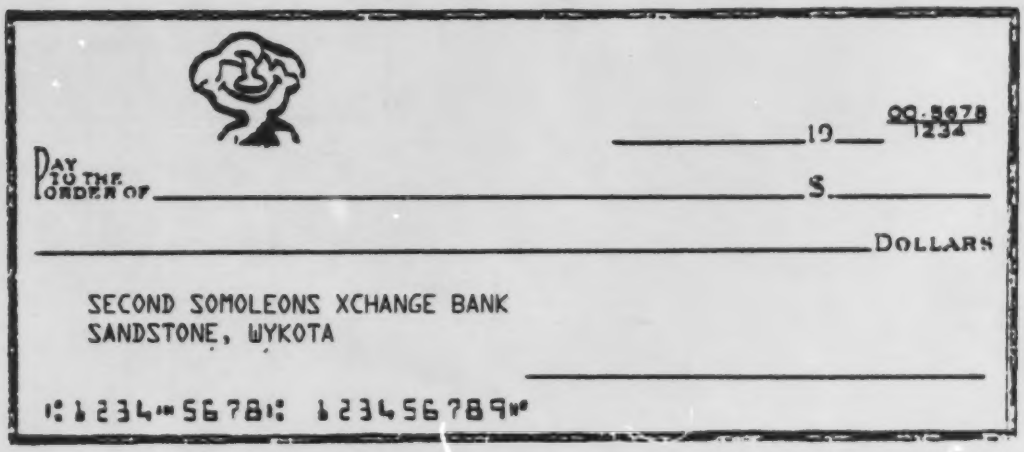
CASH RECEIVED BY _____

CASH	$	
CHECKS		
TOTAL FROM OTHER SIDE		
SUB-TOTAL		
LESS CASH		
TOTAL DEPOSIT		

SECOND SOMOLEONS XCHANGE BANK
SANDSTONE, WYKOTA

⑆1234⑈5678⑆ 901⑈234⑈5⑈6⑈
CHECKING ACCOUNT DEPOSIT TICKET



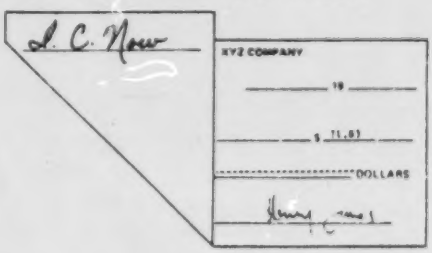


Check Endorsements

The writing on the back of a check which transfers ownership of the check is called an endorsement.

A check can mean cash, but to cash a check it must have an endorsement.

An endorsement is the signature of the payee written on the reverse side of a check across the "Pay to the order of" end of the check.



There are three major types of endorsements:

Endorsement in Blank

The signature only appears on the endorsing end of the check. Anyone can cash the check. Therefore, use this type of endorsement at the exact time you cash the check.

Happ Haggard

Endorsement in Full

"Pay to the order of" and then the name of the person who is to cash the check is written above the signature of the payee.

Pay to the order of
Sue Z. Cue
Happ Haggard

Restrictive Endorsement

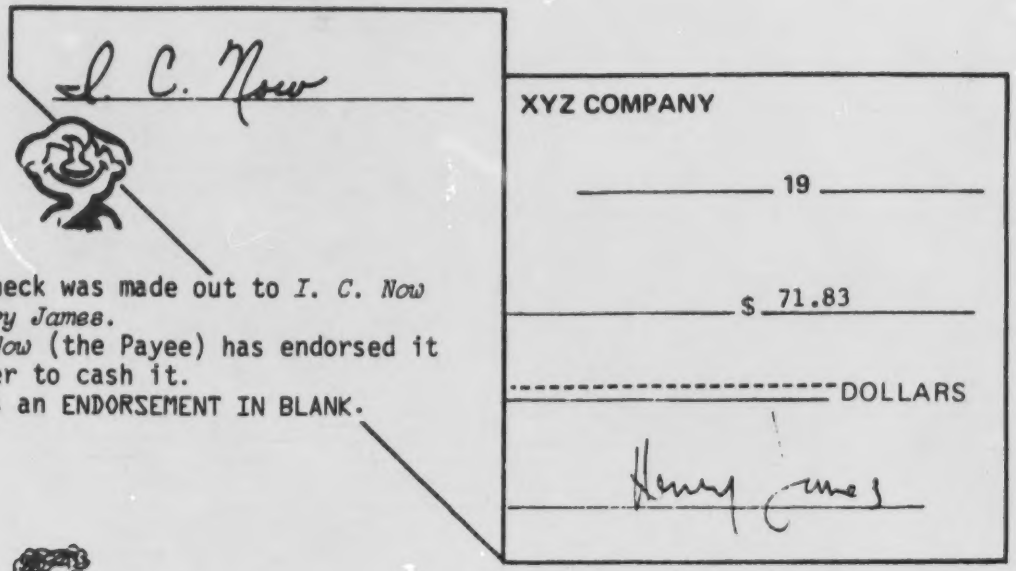
An endorsement which shows the exact disposition of the check.
Usually "For Deposit Only" written above the signature of the payee for mail or messenger deposit purposes.

For deposit only
Happ Haggard

1. Do not endorse a check until ready to use it--to cash it, deposit it in the bank, give it to another person, or send it in the mail.
2. Endorse in INK only. Pencil is easier to change.
3. Use your official signature for an endorsement. If there is any error in the spelling of your name on the face of the check, sign your name the way it appears on the face of the check and then sign it correctly.

4. Deposit or cash a check as soon as possible. After 90 days a bank may question the delay.

5. If a check has been made payable to "Cash", anyone can cash it, but the cashier will usually expect the one who cashes it to endorse it.



This check was made out to *I. C. Now* by *Henry James*.
I. C. Now (the Payee) has endorsed it in order to cash it.
This is an ENDORSEMENT IN BLANK.

Use the numbered forms on the next page to show the correct endorsement for Happ to use in each of the following situations:

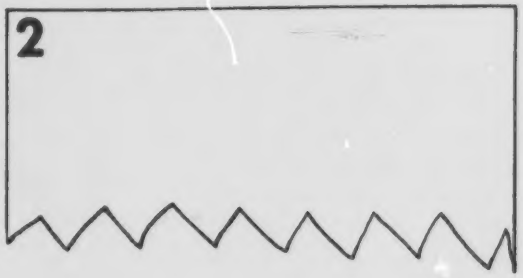
1. Happ wants John Stonehenge to use the check Happ received from another friend.

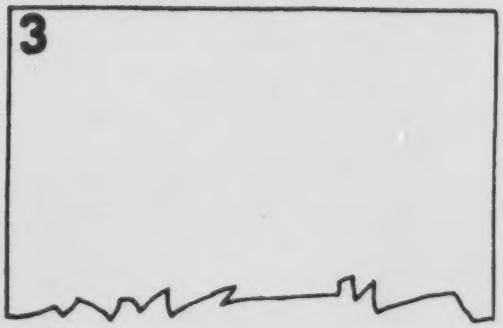
2. Happ is cashing his pay check at the bank.

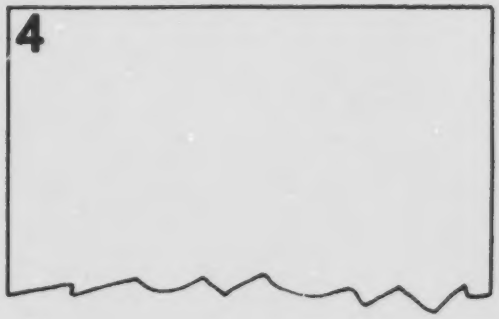
3. Happ is depositing his paycheck to his checking account at the bank.

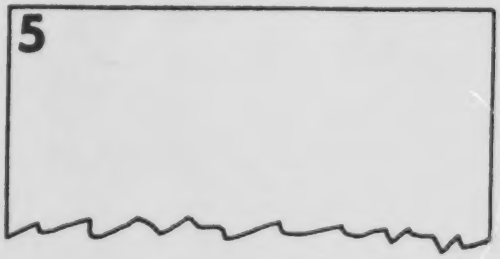
4. Happ is depositing his paycheck by using a "Bank by Mail" envelope.

5. Happ is cashing his paycheck at the supermarket.









TRUE	FALSE	
____	____	A restrictive endorsement allows anyone to cash a check.
____	____	Blank endorsements are the safest endorsements to use.
____	____	An endorsement in blank is the safest to use when depositing a check by mail.

Cashing Checks

The four keys to check cashing are IDENTITY, FEES, PROMPTNESS, ACCEPTABILITY.

The key word in cashing a check is *IDENTITY*.
In transactions in your own bank, your signature is your identity. When cashing checks in other situations such as when you wish to use a check to make a purchase or when you wish to actually cash a check (receive cash for your check), proof of your identity is necessary.
Such items as a driver's license, registered identification card, or credit cards are most often requested. In some stores such as supermarkets a check-cashing card is required.

Check cashing is usually *NOT* free except in a bank in which one has an account.
Fees charged are minimal, however--usually beginning at 10¢.

Checks should be cashed promptly. After a period of 90 days a bank may question the validity of a check or not accept the check.

Using and cashing checks in areas where you are not known may be difficult.
Second-party checks (those made out to one person and endorsed to a second party) are usually *NOT* acceptable.
For use in special situations there are special checks available such as those discussed in the "Special Checks" section of this PAL.

Stopping Payment

There are some situations in which it is necessary to "stop" a check from going to its destination.
The term used for this procedure is *STOPPING PAYMENT* or issuing a *STOP PAYMENT ORDER*.

The situation may be one in which the person writing the check has decided against a purchase or payment, or perhaps a check has been lost or stolen.

The bank must be notified to refuse to pay the check.
This notice MUST be received in *WRITING*, but you may phone to notify the bank first.
The written stop payment request should include:

DATE the check was written

AMOUNT for which the check was written

PAYEE'S NAME

CHECK NUMBER

Most banks make a charge for this service.
In these situations as in other special situations a bank representative is available to give advice and assistance.

Indicate whether the following statements are True or False:

T	F		
____	____	1.	Checks are acceptable as cash anywhere.
____	____	2.	Fees are not usually charged for cashing checks.
____	____	3.	A check more than three months old may not be accepted for payment by a bank.
____	____	4.	The stop payment procedure may be completed by phone.
____	____	5.	Losing a check or checkbook may be the reason for stopping payment on a check.

USING A CHECKING ACCOUNT

Try this vocabulary review:

Read the statement in Column II. In the Answer Column, print the letter of the corresponding term found in Column I.

Column I

A. Bank
B. Bank statement
C. Cancelled check
D. Cashier's check
E. Checkbook
F. Check
G. Checking account
H. Check register
I. Co-signature account
J. Deposit
K. Deposit ticket
L. Drawer
M. Endorsement
N. Joint account
O. Outstanding check
P. Payee
Q. Post-dated
R. Service charge
S. Stop payment

Column II

1. An order from a depositor instructing the bank to pay out money. ____
2. Money which is placed in a bank account ____
3. Book containing unused checks ____
4. The depositor's permanent record of personal transactions ____
5. Person to whom a check is written ____
6. Dated later than the date of issuance ____
7. A bank report showing the condition of the checking account ____
8. A check which has been paid by the bank ____
9. A signature placed on the back of a check ____
10. A charge made by the bank for checking account privileges ____
11. Instructions to the bank to refuse payment of a check ____
12. An account on which two (or more) persons write checks. ____

Each statement or example below contains an error for USING YOUR CHECKING ACCOUNT. Find the error and show how to correct it.

13. Record the proper information in the checkbook register or check stub after writing each check. _____

_____

14. Write each check legibly, using either ink or pencil. _____

_____

15. A check written for $17.89 would be spelled out in words:
"Seventeen dollars and 89 cents"

_____

16. A check made out to Sue Z. Cue can be endorsed "Sue Z. Cue" and mailed to her bank for deposit to her account because no one else can cash that check.

_____

_____

17. Happ took his paycheck to the bank on payday and endorsed it, "Pay to the order of Second Somoleons Xchange Bank -- Happ Hazzard".

_____

_____

18. Pre-printed checks provide the necessary identity for cashing personal checks anywhere in the United States. _____

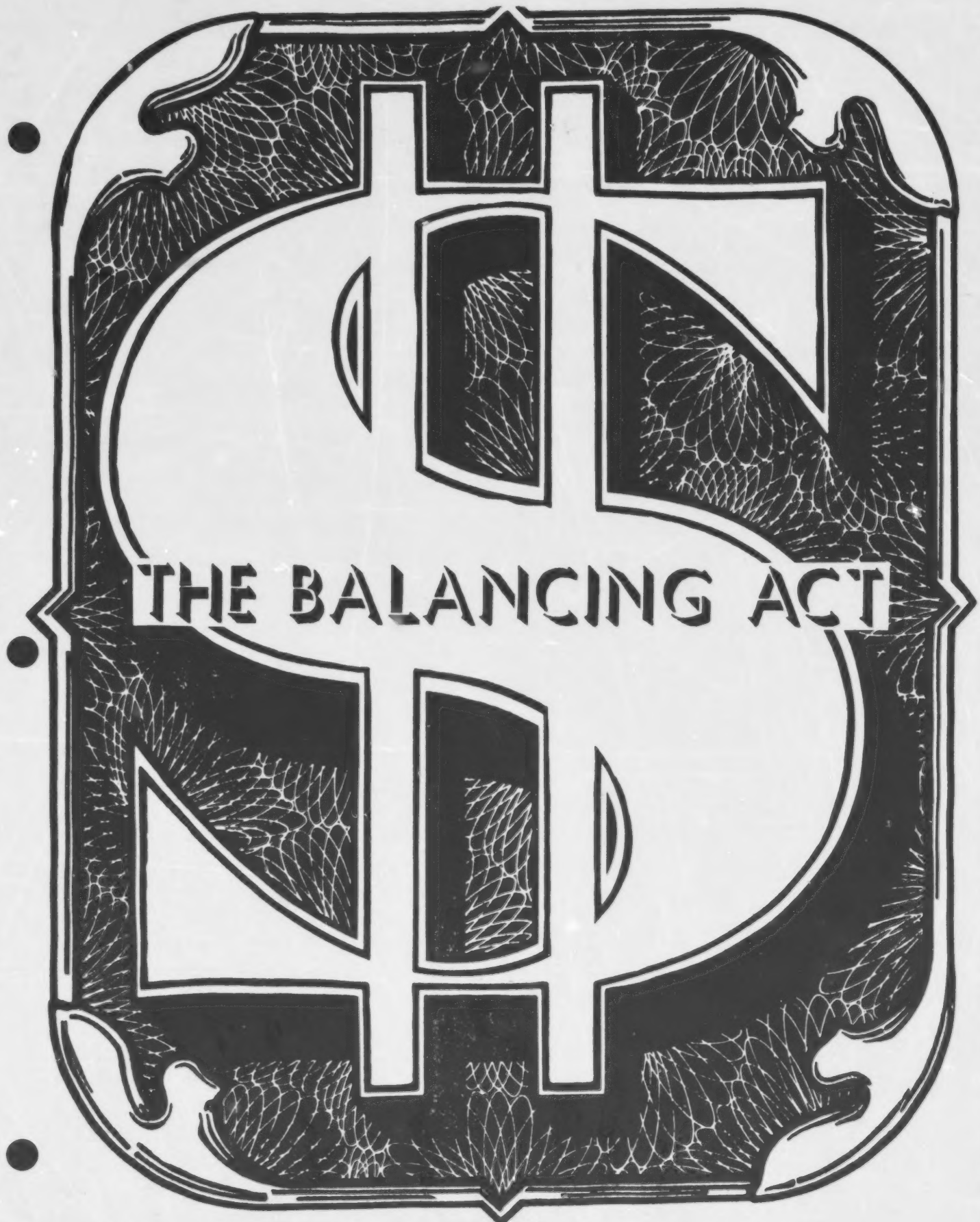
_____

19. The procedure for stopping payment on a check is as simple as a phone call to the bank. _____

_____

20. Checks written for a joint account must be signed by both persons who opened the account. _____

_____


THE BALANCING ACT

passwords ...

THE BALANCING ACT

BANK STATEMENT	*A statement of the bank's record of transactions in an account*
OUTSTANDING CHECK	*A check that has been written, but not cashed and cleared*
RECONCILE/ BALANCE	*Method of adjusting personal records and bank statement figures*
SERVICE CHARGE	*Fee charged by a bank for maintaining a checking account*

Ready to Move On ?

Do You Know the Passwords ?

X 129159

BALANCING

YOUR ACCOUNT

BANK STATEMENTS are sent to checking account customers on a regular basis (usually every month). Cancelled checks are returned and a detailed Bank Statement will show the following information:

1. BALANCE at beginning of the statement period
2. CHECKS paid by the bank
3. DEPOSITS made
4. DATES on which the bank cleared checks it paid
5. BALANCE after each transaction
6. BALANCE at the cut-off date

Locate each of these items on the sample BANK STATEMENT below:

Checking Account Statement

ACCT 190-12566
DATE 10/1/--
PAGE 1

SECOND SOMOLEONS XCHANGE BANK
SANDSTON, WYKOTA

Happ Hazzard
66 Somoleon Street
Rockledge, Wykota

1 BALANCE FORWARD	NO OF CHECKS	TOTAL CHECK AMOUNT	NO OF DEP	TOTAL DEPOSIT AMOUNT	SERVICE CHARGE	BALANCE THIS STATEMENT 6
0.00	4	53.23	1	210.00	.50	156.27

CHECKS AND OTHER DEBITS		DEPOSITS AND OTHER CREDITS	DATE	BALANCE
		3 210.00	9/05	210.00
01	12.00		9/12	198.00
02	11.98 2		9/14	186.02
03	25.00	4	9/15	5 161.02
04	4.25		9/22	156.77
	SCSC		9/30	156.27

PLEASE EXAMINE AT ONCE. IF NO ERRORS ARE REPORTED WITHIN 10 DAYS, THE ACCOUNT WILL BE CONSIDERED CORRECT
PLEASE ADVISE US IN WRITING OF ANY CHANGE IN YOUR ADDRESS

KEY TO SYMBOLS

AD	AUTOMATIC DEPOSIT	DM	DEBIT MEMO
AP	AUTOMATIC PAYMENT	EC	ERROR CORRECTED
AR	AUTOMATIC REVERSAL	OD	OVERDRAWN
CB	CHARGE BACK	RC	RETURN CHECK CHG
CC	CERTIFIED CHECK	RT	RETURN ITEM
CM	CREDIT MEMO	SC	SERVICE CHARGE
CO	CHARGE OFF		

BEST COPY AVAILABLE

Checking Account Statement

ACCT 190-12566
DATE 10/1/--
PAGE 1

SECOND SOMOLEONS XCHANGE BANK
SANDSTONE, WYKOTA

Happ Hazzard
66 Somoleon Street
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CB	CHARGE BACK	RC	RETURN CHECK CHG
CC	CERTIFIED CHECK	RT	RETURN ITEM
CM	CREDIT MEMO	SC	SERVICE CHARGE
CO	CHARGE OFF		

Study Happ's statement and supply the following figures:

1. Happ's balance at the beginning of the month _____
2. Happ's total deposits for the month _____
3. The amount of the largest check Happ wrote _____
   The amount of the smallest check Happ wrote _____
4. The date Happ made his deposit _____
5. The balance in Happ's account on the first _____
6. The service charge _____
7. Happ's account number _____
8. The day of the month the bank used as its cut-off date _____
9. The number of checks Happ had cleared by the bank during the month _____
10. The smallest amount Happ had in his account during the month _____

BEST COPY AVAILABLE

Most Bank Statements provide a form on the back for "balancing" or "reconciling your checking account. At the end of this procedure, personal records and the bank's records should agree. A sample form appears below.

The following steps are useful in balancing a bank statement:

1. Sort all cancelled checks
   Arrange checks by number
   Check them off in checkbook register

_____, 19___

THIS FORM WILL HELP YOU BALANCE YOUR BANK STATEMENT

(2) CHECKS OUTSTANDING
(Written but not shown on statement)

Check Number	Amount	
Total	(3)	

(4) BANK BALANCE → $ _____
(Shown on this statement)

(5) ADD +
DEPOSITS MADE → $ _____
(But not shown on this statement)
_____
_____

TOTAL → $ _____

(6) SUBTRACT -
CHECKS OUTSTANDING → $ _____

(7) BALANCE → $ _____
(Should agree with checkbook after subtracting any charges shown on this statement)

2. List all outstanding checks (those that have not been returned to the bank for payment)

3. Add all outstanding checks to obtain a total

4. Write the bank balance as shown on the bank statement

5. Add all deposits made but not shown on the bank statement

6. Subtract the total of the outstanding checks from the "Balance + Deposits" total

7. Balance should agree with checkbook records after all charges have been deducted

Happ received his monthly statement from the Second Somoleons Exchange Bank which showed a balance of $309.58. His checkbook balance was only $40.50.

Happ arranged his cancelled checks by number and checked them off in his check register, then noted the following facts:

The bank service charge was $2.50.
He had made a $35.75 deposit that was not shown on his statement.
A $200 automatic deposit had not been recorded in his check register although it appeared on his statement.
Checks #146 for $10, #150 for $3.33, and #152 for $94 were outstanding.

Balance Happ's account by using the form below:

_____, 19___

THIS FORM WILL HELP YOU BALANCE YOUR BANK STATEMENT

CHECKS OUTSTANDING
(Written but not shown on statement)

Check Number	Amount	
Total		

BANK BALANCE → $ _____
(Shown on this statement)

ADD +

DEPOSITS MADE → $ _____
(But not shown on this statement)

_____

_____

TOTAL → $ _____

SUBTRACT -

CHECKS OUTSTANDING → $ _____

BALANCE → $ _____

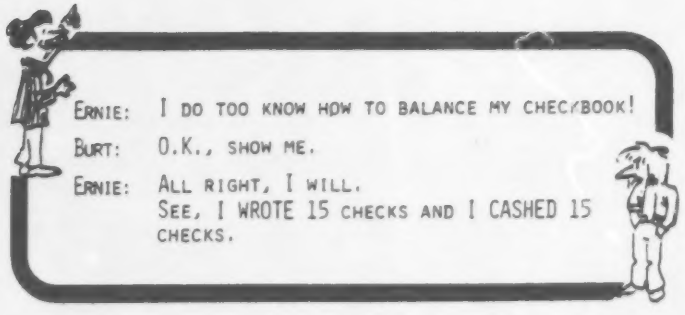
(Should agree with checkbook after subtracting any charges shown on this statement)

Sometimes there is still a difference. The bank's figures and yours don't agree. But don't panic. Here's what to do:

1. CHECK all your arithmetic in balancing the account
2. RECHECK all entries in the check register and on the bank statement to make sure they agree
3. VERIFY the carryover balance from page to page in the checkbook register
4. BE SURE all service charges have been deducted
5. IF your accounts *STILL* don't balance, contact your bank.
   Most banks consider their records correct if not contacted within 10 days.
   Most banks offer help in straightening out your difficulties willingly and without charge.

BANKERS INFORM US THAT ONE ALL-TOO-COMMON ERROR CONSUMERS HAVE IN MAINTAINING THEIR CHECKING ACCOUNT IS THE MISTAKEN IDEA THAT WHEN THEY CALL THE BANK FOR A CURRENT BALANCE THAT THE AMOUNT WHICH IS QUOTED IS THE CORRECT BALANCE.

THE CONSUMER MUST REMEMBER, HOWEVER, THAT THE BANK HAS NO WAY OF DETERMINING WHICH CHECKS REMAIN OUTSTANDING.


ERNIE: I DO TOO KNOW HOW TO BALANCE MY CHECKBOOK!
BURT: O.K., SHOW ME.
ERNIE: ALL RIGHT, I WILL.
SEE, I WROTE 15 CHECKS AND I CASHED 15 CHECKS.

THE BALANCING ACT

Use the correct term to complete each of the following statements:

1. Checks paid by the bank from your account and returned to you are called _____ checks.

2. Checks you have written but that do not show as paid on your bank statement are called _____ checks.

3. The total of outstanding checks should be _____ from the balance shown on the _____ _____.

4. Service charges should be _____ from the balance shown in your _____ _____.

5. Complete the following:

Balance in Checkbook	$323.05	
Service Charges	2.25	
Adjusted (correct Checkbook Balance	$_____	
Balance per Bank Statement		$389.54
Checks Outstanding:		
# 8	$10.85	
# 9	15.04	
#12	25.00	
15	17.85	
Total Checks Outstanding	175	$_____
Available Bank Balance		$_____

6. True or False: A cancelled check is more valuable as a receipt than a check stub _____

7. Write the correct word on the blank following each statement:

   A check which has been paid by the bank and returned to the person who wrote it is called a _____ _____

   A charge made by the bank for checking account privileges is called a _____ _____

8. Circle the term in each statement to make the statement true:

   A service charge should be (added to, subtracted from) the checkbook balance when balancing your checkbook.

   Outstanding checks should be (added to, subtracted from) the bank statement balance when balancing your checkbook or reconciling your account.

   A deposit recorded in your checkbook but not appearing on your bank statement should be added to the balance in your (checkbook, bank statement).

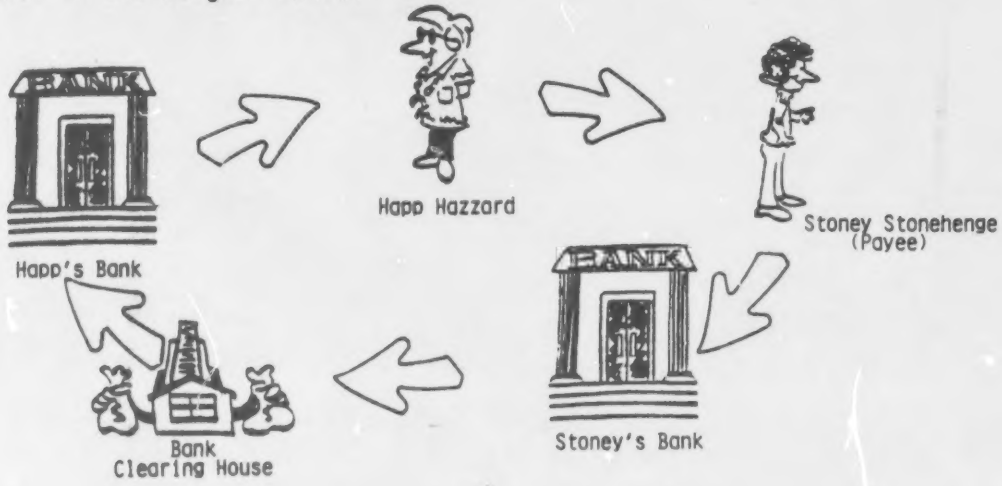
9. On March 1 the checkbook balance of the E. Z. Buck Corporation was $1862. What was the balance in the corporation's account if there was an outstanding check in the amount of $75?

10. On April 1 Ms. Happ received her bank statement which reported a balance of $9203.45. The following checks were outstanding: #321, $84; #340, $93.17; #346, $86.50; #360, $119.27; #375, $165. She also discovered that she had entered a check written in the amount of $63.65 as $36.65 on her check stub. The bank had charged a $1.15 service charge which she had not entered in her checkbook. Reconcile her checkbook balance of $8683.66 with the bank statement balance. _____

Knowing where your money comes from and where it goes is also interesting. You can look at your paper money and tell where it began its circulation. You can also learn what happens to your check from the time you write it until you have it returned with your bank statement.

The Federal Reserve System, headquartered in Washington, D.C., is made up of 12 Federal Reserve District banks which put paper money in the hands of the public. The map below illustrates the areas covered by each district. In addition, Hawaii and Alaska are part of the twelfth district, headquartered in San Francisco. Look at a dollar bill if you have one. The letter in the seal to the left of George Washington's picture will be the letter of the Federal Reserve Bank which issued it. The letter "L" indicates dictrict 12 because it is the twelfth letter of the alphabet. The number 12 will also appear on the bill. Likewise, the letter "A" and the number "1" indicate the first district, headquartered in Boston. Examine the paper money in your class and the map. Determine which district issued the money and also in which district you live.

The circulation of the check Happ made out to his friend, Stoney Stonehenge, is illustrated in the diagram below:



IS A
SAVINGS ACCOUNT
FOR ME?

passwords ...

IS A SAVINGS ACCOUNT FOR ME?

ANNUAL	*Once a year*
BOOKKEEPING	*Method used to compute and credit interest to a savings account*
COLLATERAL	*Something of value pledged as security for a loan*
COMMERCIAL BANK	*Financial institution which offers checking and savings accounts and which is owned by stockholders*
COMMITMENT	*Ability to "stick to" a savings plan*
COMPOUND INTEREST	*Interest which is computed on both the principal and the interest in a savings account*
CONVENIENCE	*Availability of banking services*
CREDIT RATING	*An evaluation of one's willingness and ability to pay debts, based on his past performance*
CREDIT REFERENCE	*A source for determining credit worthiness*
CREDIT UNION	*A financial cooperative in which members with a common bond (employer, church, housing development, etc.) join together to save money and make loans to members*
EARNINGS	*Interest*
FDIC	*Federal Deposit Insurance Corporation Insurer of deposits in commercial banks*

FSLIC	Federal Savings and Loan Insurance Corporation Insurer of deposits in savings and loan institutions
GOALS	Reasons or purposes for saving "Things" to buy with savings dollars
INTEREST	Money made or earned on money which is in savings accounts or bonds
LIQUIDITY	The ease with which money can be withdrawn from a savings account
MONTHLY	Once a month
NCUA	National Credit Union Administration Insurer of deposits in credit union
QUARTERLY	Once every three months
SAVINGS ABILITY	Amount which one can save based on income and needs
SAVINGS ACCOUNT	An account in which money is deposited and on which interest is paid
SAVINGS & LOAN	Financial institution which pays interest on money deposited in savings accounts and makes real estate loans
SEMI-ANNUALLY	Once every six months

WHY SAVE?

Saving is putting away money from today's income for use some time in the future for those things in life which require money.

Without large incomes, most people need to save in order to buy many of the things they want.

How many people do you know?
There are probably at least that many reasons you could list for saving.
Reasons change with changes in age and responsibilities of the saver.
Think of the different "things" desired by the teenager, the newlywed, the new parent, the parent of college-age children, the person about to retire.

Some of the most common reasons for saving are:

- Emergencies, Unemployment
  (Experts suggest an Emergency Fund of 3-6 mo. salary)
- Travel and Recreation
- Education
- Home ownership
- Retirement
- Purchases for cash instead of credit
  (Resistance to the "Buy now, Pay later" & "Can't Wait" temptations)

Two extra bonuses of saving are knowing that your money is working for you (earning interest), and that a savings account is a positive factor in your credit rating.
But, unfortunately in times of high inflation, your money is losing its value--like beaver pelt "money" spoiling.

Those who save by estimating both their short- and long-range goals are always the ones who seem to "get ahead" most rapidly.

Exercises

One important use of savings is to purchase appliances. Try the following situation to learn how a savings plan can save your credit dollars.

MR. & MRS. WISEACRE PLAN TO BUY A DRYER AS THEIR NEXT LARGE PURCHASE. THE DRYER HAS A CASH PRICE OF $260. THEY HAVE THREE CHOICES:

1. Buy the dryer on the installment plan, paying $20 a month for 15 months.

   Total installment payments $_____
   Less cash price of the dryer _____
   Equals credit cost $_____

2. Put $20 a month into a savings account for six months, then make a down payment of $120 and pay the remainder on the installment plan at $20 a month for eight months.

   Total installment payments $_____
   Less balance due on dryer _____
   Equals credit cost $_____

   How many dollars would the Wiseacres save if they made a downpayment of $120 compared with making no down payment? $_____

3. Put $20 a month into a savings account for 13 months and pay cash for the dryer.

   Cash payment $_____
   Savings for 13 months $_____ Less cash price of the dryer _____
   Equals credi cost $_____

   How many dollars would they save if they accumulated $260 and paid cash compared to making no down payment (example 1)? $_____

REMEMBER THAT SAVINGS DOLLARS NOT ONLY SAVE ON CREDIT COSTS, BUT EARN INTEREST AS WELL.

SAVING & U

YOU are the key to YOUR savings program.

YOU must make the decisions.
YOU are the only person who knows YOUR needs.
YOU are the only person who knows what personal goals and objectives YOU have for your immediate and distant future.
YOU are the only person who knows what YOUR own savings ability is.
YOU are the only person who can evaluate your commitment to a savings plan.

According to *POOR RICHARD'S ALMANAC:* A penny saved is a penny earned.
Today that same idea might be stated: A penny saved is worth more than one earned.

Make your money work for you. Save your money where it will earn interest. The most important advice about saving might be:

Saving begins with *GOALS* (things to save for) and a *SYSTEMATIC* (regular) *SAVINGS PLAN.*

Although the reasons for saving are as different as the hopes, dreams, and needs of the saver, you can base your savings plan on a suggested 5% - 15% of your income.

Assure yourself of regular savings by "paying yourself first" -- through some method such as a payroll deduction or automatic checking if necessary.

Remember: PEOPLE WITH SAVINGS ACCOUNTS BORROW MONEY MORE EASILY THAN THOSE WITHOUT SAVINGS ACCOUNTS.
A SAVINGS ACCOUNT MAY BE USED AS COLLATERAL FOR A LOAN AND IS A POSITIVE CREDIT RATING FACTOR.

$ MONEY TALKS AS MUCH AS EVER,
BUT WHAT IT SAYS NOWADAYS MAKES LESS CENTS.

CHOOSING A PLACE TO PUT YOUR MONEY

Once you are convinced that saving is a worthwhile practice for you, the next step is to decide where to keep your savings. There is a wide choice of possibilities--from your sock, piggybank or mattress, to various types of savings accounts and investments.

Your four basic concerns in choosing the best place for YOU to put YOUR savings are:

SAFETY: *Is my money safe?*
CONVENIENCE: *Will it be easy for me to make transactions?*
LIQUIDITY: *Can I get my money out when I want to?*
EARNINGS: *How much will my money earn?*

SAFETY

Keeping your money at home in the piggybank or sugar bowl may be the most convenient place for you to keep your savings, but there are two problems. First, your money is not earning interest for you. Second, it is not safe. (Besides, if it's *too* convenient, it might be too easy to spend.)
Your choice of a place to keep your money should be based on your need for high earnings and safety for your savings dollars.
Check to see which agency is insuring your dollars, and for what amount.

The FDIC (Federal Deposit Insurance Corporation) insures money in *BANK* savings accounts to a total of $40,000 per depositor. (This total, however, includes *all* funds in that bank under one name, whatever the type of account).

The FSLIC (Federal Savings & Loan Insurance Corporation) insures funds in *SAVINGS & LOAN* institutions up to $40,000 per depositor.

The NCUA (National Credit Union Administration) insures funds deposited in member credit unions.

x 144

Look for the FDIC, FSLIC or NCUA emblems at the savings institutions you are considering as a "home" for your savings.

An additional area of safety is assured the bank savings depositor because of his status as creditor. The bank owes him the amount he has on deposit plus interest. The depositor also has prior claim on the bank's assets in the event of bank failure.

CONVENIENCE

Perhaps the least important of the four basic concerns in choosing the place to keep your savings is convenience. This is the most popular reason, however. This factor depends on how frequently you intend to make deposits and withdrawals. Check the hours the bank or other financial institution is open, and whether mail deposits are accepted.

LIQUIDITY

The place you choose to put your savings dollars should also depend on your plans for your money--how quickly you need the money for spending.

There are many different ways of saving money--each with its own special characteristics. Your choice should be based on what you want to achieve with your savings and when you plan to use your money--this year, next year, or 20 or more years from now.

EARNINGS

Certainly the most important consideration is how much you can earn with your savings. It is important to compare interest rates, but the wise consumer knows that rate quotes alone do not tell the whole story.

Interest is money made on money which is in savings accounts or bonds. Maximum interest rates are fixed by law. Interest cannot be paid higher than these rates, but less interest can be paid the saver.

Mutual savings banks (usually found only in norther states) and savings and loan institutions are allowed to pay higher interest than commercial banks.

THE TWO KEYS TO ACTUAL EARNINGS ON SAVINGS DOLLARS ARE HOW OFTEN THE INTEREST IS CREDITED AND THE METHOD OF BOOKKEEPING USED.

Compound interest is "interest paid on interest." Interest is paid on the principal and becomes a part of the principal, with total interest paid on that increased principal.
Compound interest may be compared to a snowball--by the time it reaches the bottom of a long hill, it's an avalanche.

The frequency of compounding is the key--it may be annually, semi-annually, quarterly, monthly, daily or continuous. The table illustrates a comparison for monthly deposits of $100 with an interest rate of only 5%.

Compounding Frequency	Account balance at the end of:		
	1 year	5 years	10 years
Annual	$1,227.50	$6,782.71	$15,439.36
Semi-Annual	1,227.66	6,792.05	15,486.45
Quarterly	1,227.78	6,797.10	15,511.23
Monthly	1,227.89	6,800.61	15,528.23
Daily	1,227.94	6,802.36	15,536.61
Continuous	1,227.94	6,802.42	15,536.90

The most difficult feature to discover is the method of bookkeeping used. The saver must ask specifically for this information. Even then, he often discovers that bank personnel themselves cannot describe the method used. Methods are confusing and may be one of four basic types:

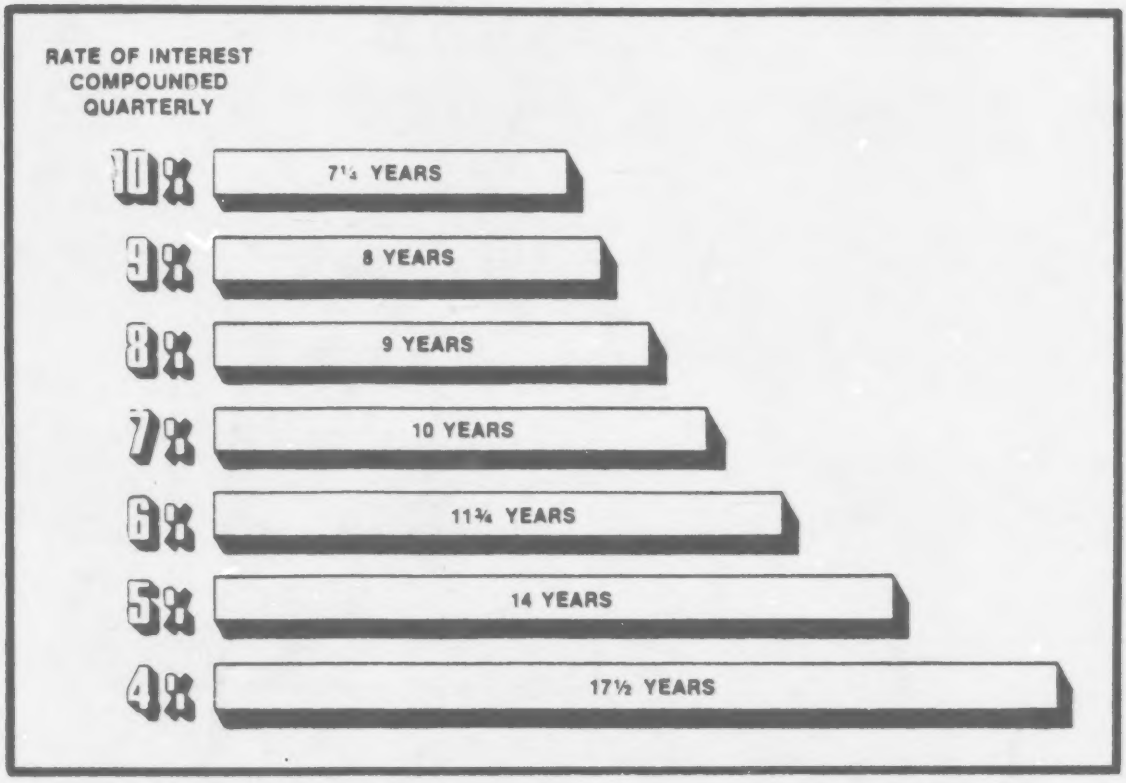
LOW BALANCE OR HIGHEST CONTINUOUS BALANCE	You receive interest only on the money in your account for the entire interest period. On a new account you are paid interest on your initial deposit only.
LIFO	Last-in-first-out method
FIFO	First-in-first-out-method
DAY-OF-DEPOSIT-DAY-OF-WITHDRAWAL	Interest is computed daily on total funds in the account.

It is, of course, this last method you should shop around for. This method pays the highest total interest.

Remember, also, that interest rates are always quoted as *ANNUAL* rates.
If your interest is compounded quarterly, the actual rate of interest paid each quarter is 1/4 of the annual interest.

It is possible to double your savings dollars in a specific period of time as illustrated below.

DOUBLE YOUR SAVINGS DOLLAR



Note that the interest is compounded quarterly and that the greater the amount of interest paid, the less time it would take to double your money.
$100 would become $200 in 14 years at 5%, but would take only 7¼ years at 10%.

Interest depends on:

1. The rate of interest
2. How often interest is credited

O.K., the saver has determined the relative importance of SAFETY, CONVENIENCE, LIQUIDITY, and EARNINGS to him personally, but what about *WHERE* to put his savings?

There are three basic types of savings institutions-- *COMMERCIAL BANKS, SAVINGS AND LOAN ASSOCIATIONS,* and *CREDIT UNIONS.* Each has its own qualifications, conditions, and advantages:

COMMERCIAL BANK

Convenient (Full-service banks serve all banking needs)
Reasonable interest
Systematic savings plans such as automatic savings deducted from checking accounts
Service charges may be made for maintaining account (savings & loan institutions do not make these charges)
Bank owned and operated by stockholders
Mutual savings banks are owned by depositors

SAVINGS & LOAN

Depositors share in profits
Interest rates are higher than commercial banks
No service charges

CREDIT UNION

Limited membership--group of people who agree to save their money together and make loans to each other at low interest
State or federally chartered non-profit corporations
Savings are called "shares"
Semi-annual or quarterly dividends on membership shares
Dividends (interest) related to past earnings and usually between 5% and 7%
Offer other special services such as financial counseling, travel and purchase discounts, home and real estate loans, life insurance packages

Evaluate the savings institutions in your community according to your needs. A table like the one below might be useful:

	Earnings are Called		Current Rate on Passbook Savings	How Many Times Per Year Interest or Dividends Paid	Dollars Earned In One Year on $100
	Interest	Dividends			
Savings and Loan Association					
Full Service Bank					
Credit Union					
Mutual Savings Bank					

Exercises

1. *"EVEN IF ONE SAVES MONEY, WHY NOT JUST SAVE IT AT HOME IN THE MATTRESS OR IN A LITTLE TIN BOX BURIED IN THE BACK YARD?"*

How would you answer this question?

Discuss the question with a banker or savings and loan association officer in your community.

2. "IF I PUT MY MONEY IN A BANKING INSTITUTION, WHAT HAPPENS TO IT? HOW CAN MY MONEY BE SAFE IF THEY LEND IT TO OTHER PEOPLE TO USE? THEY COULD GO BROKE!"

How would you answer this question?

Discuss the question with a banker or credit union officer in your community.

3. "LOOK, BANKS AND CREDIT UNIONS ARE BUSINESSES, AREN'T THEY? THEY PROVIDE SERVICES AND MAKE A PROFIT. COULDN'T I MAKE MORE MONEY LENDING MY MONEY DIRECTLY TO PEOPLE WHO WANT TO BORROW SOME MONEY?"

How would you answer this question?

Discuss the question with a banker or credit union official in your community.

Many savers choose banks for their savings because:

Their money is safe
Deposits are easy to make
Small deposits are accepted
Their money earns interest for them

In choosing *WHICH* bank, it is important to investigate:

Whether all services you require are available at lower cost
The bank's financial stability
The bank's reputation
If there are competent and friendly personnel
Bank references and financial advice

It is also often recommended that persons place as much business as possible with one bank. In so doing a relationship is built with one bank--a positive factor in times when credit references are needed.

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Types of Savings Accounts

Savings accounts in commercial banks are of three major types:

Passbook Savings ***Special Accounts*** ***Certificates of Deposit***

Guidelines for selecting the proper account for you suggest that you choose an account offering:

A high interest rate
No penalties for withdrawals
Interest calculated from day-of-deposit to day-of-withdrawal
Quarterly or more frequent compounding of interest
Quarterly or more frequent crediting of interest

Use these guidelines to evaluate the three major types of savings accounts to meet *YOUR* needs.

It is also suggested that savings dollars be divided among different types of accounts whenever possible.

Passbook Savings

A regular passbook savings account usually permits deposits and withdrawals at any time
Interest is not usually paid on amounts withdrawn during a dividend period, depending on method of computing interest
Rules and restrictions are usually listed on passbook cover
Because there are few rules, this account usually pays the lowest interest of all bank savings plans

Special Accounts

Various names for accounts which:
  Require a large initial deposit
  Impose restrictions on time of withdrawal
Deposits subsequent to the initial deposit may be of any amount, at any time
30-90 days notice usually required for withdrawal
All restrictions stated when account is opened

Certificates of Deposit

Also called Savings Certificates
Usually pay highest interest offered by bank
May be purchased in amounts as low as $25 in some banks
Face value plus interest
"Time Deposits"--usually 90 days--may extend as long as 10 years
Frequently renewable

IS A SAVINGS ACCOUNT FOR ME ?

Show whether the following statements are true or false:

T	F		
____	____	1.	Saving money is always easy.
____	____	2.	A good savings plan is based on short- and long-term goals.
____	____	3.	It is important to know how often banks pay interest.
____	____	4.	Government regulations require that all financial institutions offer the same interest rates on savings deposits.
____	____	5.	Credit union accounts are not insured.

Complete the following statements:

6. Reasons or purposes for saving are called _____.
7. A saver earns the most on his account when his interest is compounded and credited _____.
8. Your savings account can be used as _____ when borrowing from your bank.
9. Your ability to "stick to" savings plans is called _____.
10. The amount of interest earned on a savings account depends on two factors:

_____ and _____.

USING A
SAVINGS ACCOUNT

passwords ...

USING A SAVINGS ACCOUNT

DEPOSIT TICKET	*Bank form used for depositing money in a savings account*
PASSBOOK	*A book issued to a savings account customer for keeping a personal record of all deposits, interest and withdrawals*
SIGNATURE CARD	*Bank card used to establish identity and signature recognition for a bank savings account*
WITHDRAWAL TICKET	*Bank form used to withdraw money from a savings account*

Ready to Move On ?

Do You Know the Passwords ?

DOLLAR$ ENE

ACCOUNT RESPONSIBILITIES

The first steps in opening a bank savings account are the same first steps for opening a personal checking account.
The maintenance is much easier, however. It is all handled by the bank.

Opening a PASSBOOK SAVINGS ACCOUNT is as simple as signing a few cards, making a deposit, receiving a passbook, and just sitting back to watch your money grow.

SAVINGS ACCOUNT

☐-☐☐☐-☐

SIGN HERE ☐

SIGN HERE ☐

ADDRESS ZIP

DATE OPENED DATE RECEIVED PHONE NO

BUSINESS OR OCCUPATION

REFERENCE OR INTRODUCED BY

OTHER BANK ACCTS FIRST DEPOSIT

FORMER RESIDENCE OPENED BY

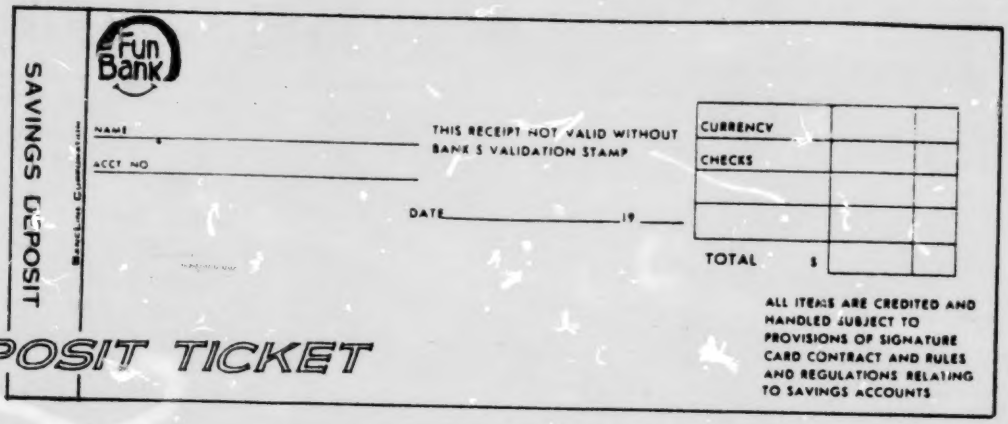
SOCIAL SECURITY NUMBER ☐☐☐-☐☐-☐☐☐☐

CHECK NAME TO WHICH S.S. NO APPLIES

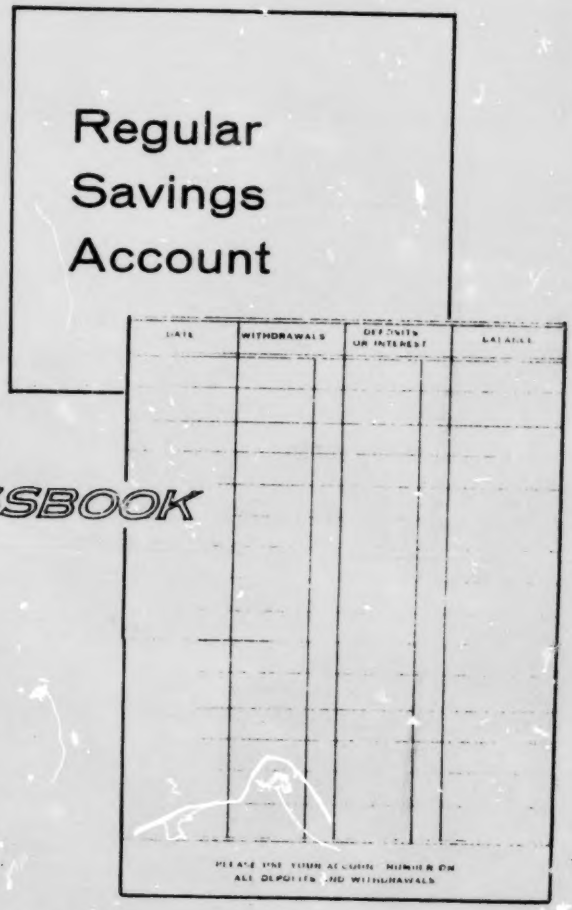
SIGNATURE CARD

BEST COPY AVAILABLE

The additional forms used by the Savings Account consumer are those like the samples below:


SAVINGS DEPOSIT
Fun Bank
NAME
ACCT NO
THIS RECEIPT NOT VALID WITHOUT BANK'S VALIDATION STAMP
DATE 19
CURRENCY
CHECKS
TOTAL $
ALL ITEMS ARE CREDITED AND HANDLED SUBJECT TO PROVISIONS OF SIGNATURE CARD CONTRACT AND RULES AND REGULATIONS RELATING TO SAVINGS ACCOUNTS

DEPOSIT TICKET



PASSBOOK

SIT BACK AND WATCH YOUR MONEY GROW !

. . . . That's all there is to maintaining a savings account !!

SAVINGS WITHDRAWAL

Fun Bank

DATE _____

NAME _____

ACCT NO _____ SIGN HERE _____

AMOUNT	
DOLLARS	CENTS

NON-NEGOTIABLE-PAYABLE TO NAMED DEPOSITOR ONLY NOT VALID WITHOUT BANK'S VALIDATION STAMP

WITHDRAWALS SUBJECT TO RULES AND REGULATIONS RELATING TO SAVINGS ACCOUNTS

WITHDRAWAL TICKET

SAVINGS ACCOUNT RESPONSIBILITIES ARE FEW FOR THE SAVER -- HE DEPOSITS THE MONEY AND THE BANK OR OTHER SAVINGS INSTITUTION DOES THE REST.

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USING A SAVINGS ACCOUNT

Use the necessary forms on the next two pages to illustrate the transactions Happ made to his account. Include all of the information given.

Happ decided to open a passbook savings account at the Second Somoleons Bank.
He had just moved into an apartment at 123 Easy Street where his telephone number is 123-4567.
His social security number is also easy to remember: 123-45-6789.
His initial deposit included 25 nickels and checks for $12.54 and $25.49 plus the $50 he won in a dance contest.

He opened his account on January 7, and had the following transactions in his account which earned 6% interest:

January 15	$25 deposit
February 4	$10 deposit
March 6	$ 5 deposit
April 13	$43 deposit
July 3	Interest credited to his account
August 12	$50 withdrawal
	Happ learned his account number: 9-001-2

(If you make no errors in maintaining Happ's account, you will show a balance of $127.45 in Happ's account.)

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BEST COPY AVAILABLE

SAVINGS ACCOUNT

☐-☐☐☐-☐

SIGN HERE ☐

SIGN HERE ☐

ADDRESS ZIP

DATE OPENED DATE RECEIVED PHONE NO.

BUSINESS OR OCCUPATION

REFERENCE OR INTRODUCED BY

OTHER BANK ACCTS. FIRST DEPOSIT

FORMER RESIDENCE OPENED BY

SOCIAL SECURITY NUMBER ☐☐☐-☐☐-☐☐☐☐

CHECK NAME TO WHICH S.S. NO. APPLIES

SAVINGS DEPOSIT

Fun Bank

NAME

ACCT. NO

THIS RECEIPT NOT VALID WITHOUT BANK'S VALIDATION STAMP

DATE 19

CURRENCY		
CHECKS		
TOTAL	$	

ALL ITEMS ARE CREDITED AND HANDLED SUBJECT TO PROVISIONS OF SIGNATURE CARD CONTRACT AND RULES AND REGULATIONS RELATING TO SAVINGS ACCOUNTS

DATE	WITHDRAWALS	DEPOSITS OR INTEREST	BALANCE

BEST COPY AVAILABLE

SAVINGS DEPOSIT

Fun Bank

NAME _____

ACCT NO _____

THIS RECEIPT NOT VALID WITHOUT BANK'S VALIDATION STAMP

DATE _____ 19 ___

CURRENCY		
CHECKS		
TOTAL	$	

ALL ITEMS ARE CREDITED AND HANDLED SUBJECT TO PROVISIONS OF SIGNATURE CARD CONTRACT AND RULES AND REGULATIONS RELATING TO SAVINGS ACCOUNTS

SAVINGS DEPOSIT

Fun Bank

NAME _____

ACCT NO _____

THIS RECEIPT NOT VALID WITHOUT BANK'S VALIDATION STAMP

DATE _____ 19 ___

CURRENCY		
CHECKS		
TOTAL	$	

ALL ITEMS ARE CREDITED AND HANDLED SUBJECT TO PROVISIONS OF SIGNATURE CARD CONTRACT AND RULES AND REGULATIONS RELATING TO SAVINGS ACCOUNTS

SAVINGS DEPOSIT

Fun Bank

NAME _____

ACCT NO _____

THIS RECEIPT NOT VALID WITHOUT BANK'S VALIDATION STAMP

DATE _____ 19 ___

CURRENCY		
CHECKS		
TOTAL	$	

ALL ITEMS ARE CREDITED AND HANDLED SUBJECT TO PROVISIONS OF SIGNATURE CARD CONTRACT AND RULES AND REGULATIONS RELATING TO SAVINGS ACCOUNTS

SAVINGS WITHDRAWAL

Fun Bank

DATE _____

NAME _____

ACCT NO _____ SIGN HERE _____

AMOUNT	
DOLLARS	CENTS

NON-NEGOTIABLE - PAYABLE TO NAMED DEPOSITOR ONLY. NOT VALID WITHOUT BANK'S VALIDATION STAMP.

WITHDRAWALS SUBJECT TO RULES AND REGULATIONS RELATING TO SAVINGS ACCOUNTS

SELF - EVALUATION

1. As you reflect upon your experiences using this PAL, what were the most important things you learned?

2. What are the most important things you learned about:

   A. Personal checking accounts?

   B. Bank savings accounts?

3. What are the important consumer topics about which you would like to learn more?

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PROJECT $CAT

You have just completed studying one module of the SCAT curriculum. There may be other topics about which you wish to learn more. SCAT modules can help you acquire skills, concepts, and knowledge necessary to function as an informed and wise consumer in twelve areas.

HEALTH AND THE CONSUMER contains 6 units:

BALANCED DIET:	Eater's Digest
FOOD ADDITIVES:	Eat, Drink, and Be Healthy
FOOD SHOPPING:	Food for Your Brood
MEDICAL CARE:	Say Ahh!
PERSONAL GROOMING:	Let's Face It!
PRODUCT SAFETY:	An Ounce of Prevention

MONEY MANAGEMENT AND THE CONSUMER contains 6 units:

BASIC ECONOMIC SKILLS:	Baffled, Bothered, Bewildered
BUDGETING:	Easy Come, Easy Go!
BANKING:	You Can Bank on It!
CREDIT:	Ch..a..r..rge!!!
INSURANCE:	It's Later Than You Think
TAXES:	An Offer You Can't Avoid

"$KILLS FOR CONSUMERS APPLIED TODAY"

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